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WHEAT OUTLOOK MOST FAVORABLE IN OUR HISTORY

Will Pour $200,000,000 More Than Last Year Into Trade Channels

MARKETS REVIVING

North American Visible Wheat Supply is 46 Per Cent. Below This Time Last Year

Canadian wheat has virtually emerged from the period of uncertainty in so far as total value is concerned. Daily and hourly fluctuations in the Winnipeg and Chicago pits cause little anxiety to the Canadian farmer, and to business. The wheat outlook and the world wheat situation daily become more favorable. It is now evident that the Canadian crop will be the main source of export supply until the crops from the Southern Hemisphere come on the market next February and March.

It is true that climatic conditions can still have a material effect on the yield, but the sensitiveness of the wheat market is taking care of this. Since the crop of Western Canada is the tipping factor in the export balance for at least the next five months, an indicated decline of even 50,000,000 bushels in the world export surplus is followed by a price rise usually more than sufficient to take care of the drop. The Dominion Government has estimated the total wheat yield at 375,000,000 bushels. An indicated drop of 20,000,000 bushels would mean a loss of $30,000,000 taking a current average price. Assuming such a drop to be sufficient to induce a 10 cent rise, which is not unlikely, the value added to the total crop would be $35,000,000. The same would tend to be true in the reverse direction, assuming that the government estimate is below the mark.

The combination of circumstances governing the world wheat situation could not easily be more favorable to Canada. Estimates of the yields of countries which last year produced 70 per cent. of the world's total, Russia excluded, show an indicated total production of 2,174,000,000 bushels as against a five year average of 2,184,000,000 bushels, or a drop of more than 1,000,000,000 bushels. The United States' crop alone will be 195,000,000 below last year's and the Indian crop 40,000,000 below. Any surplus for export from either of these countries is improbable. The situation in the Balkan states and Russia has not yet been reported, but early forecasts do not point to any large export surplus. In this way, Canada comes to the fore as the world's leading source of supply.

Another highly favorable factor is the increase in the purchasing power of the countries to which Canada sells her wheat. The largest market is the United Kingdom where we sold 142,000,000 bushels last fiscal year. At that time, and during previous years, the discount on the pound sterling in relation to the Canadian dollar tended to drive British buyers to the Balkans and elsewhere, where their currency was at or above par. This had reached considerable proportions, and decidedly limited the market for the Canadian product. The recovery of sterling has removed the handicap, and has again thrown open the largest market for our wheat. Belgium and Italy are the next largest markets, and in the case of both of these countries, recent reports indicate improving conditions. It is probable that these three countries will take well up to 200,000,000 bushels of this year's Canadian wheat crop.

The actual statistical position of wheat at the moment is the most favorable factor of all. The Canadian visible supply of wheat this week is 12,147,000 bushels against 20,521,000 at this time last year. The visible supply in the United States is 30,684,000 bushels as against 58,106,000 bushels for the corresponding week last year. For both countries, this is a decline of 46 per cent. in the visible supply at the moment. The present price of No. 1 Northern cash wheat in Winnipeg is around $1.67, while the average price of the same grade, for the month of August last year, was $1.43½. The total value of the wheat crop last year, as estimated by the Dominion Government, was $320,362,000. This was based on an average price of $1.22. An average only 10 cents higher would mean an increase of $165,000,000 in the country's revenue.

The profound importance to business of these factors needs no further emphasis. Only a miracle could prevent the country from cashing in, in a large way, on the situation outlined.

Bakery Merger Financing Details Near Completion

Details of the financing of the merger of Western Canada bakeries, exclusively announced in The Financial Post last week, are in course of completion, and nothing official has yet been given out with regard to the actual personnel or capitalization of the new organization. The company, however, will comprise ten plants located at strategic points throughout the West

Million Profit for Spanish River Company

The annual inspection of mills and final passing upon the annual report before it is issued by Spanish River directors is taking place this weekend at The Soo. Net profit, it is expected, will be shown around $1,000,000, while a like improvement is expected in working position, bringing the total close to $10,000,000. During the year bonds to the total of $520,000 have been redeemed.

Cent on Milreis Gives Brazilian Another Million

Stock Sells at 65 When Brazilian Exchange Climbs

Brazilian Traction shares are now at 65, due to further strength in milreis, which are now at 12.30 cents. That the market is influenced more by the exchange situation than by earnings is evidenced by the fact that while earnings have been falling off month by month, since January, the shares have steadily risen until they are now at a new high for some years.

It has been estimated that a one-cent rise in the price of milreis means $1,000,000 to Brazilian's dollar earnings, which means that in about the last month there has been such an improvement. It is difficult to figure out just what a cent a milreis is worth, as part of Brazilian earnings are on a gold basis, and this declines in milreis return as the value of milreis goes up. However, the great bulk of Brazilian earnings are in paper and the more cents that milreis are worth, the more dollars fall to Brazilian's treasury when funds are sent to Canada.

New Toronto Hotel Plans Taking Shape

A period of ninety days is allowed the hotel syndicate which has been negotiating with regard to purchase of a hotel site adjoining Yonge, Wellington and Jordan Sts., Toronto, in order to make a complete search of the titles, before completing purchase of the property in accordance with the option.

It has been known for some time that New York hotel men were interested in the property referred to, and that an option had been taken. The syndicate is stated to have exercised its rights under the option, and has arranged to proceed with the purchase of the land and buildings as soon as the titles are established.

With regard to the financing of the new project, nothing official has yet been given out. The legal interests of the syndicate are being looked after by Andrew Dods, of Johnston, Grant, Dods and Grant.

Grocery Merger Financing in Canada and U.S.A.

Although final negotiations have not yet been completed with regard to the financing of the wholesale grocery merger comprising a large number of Ontario houses, it is understood that the companies entering the merger will be reimbursed partly in cash and partly in securities, most probably preferred stock. It is understood also that the new issue will be underwritten by the Continental and Commercial Securities Corporation of Chicago. The legal interests of the merged company are being looked after by Messrs. Bain, Bicknell, White and Gordon of Toronto.

The National Grocers Company, Ltd., which comprise twenty-four main wholesale grocery houses throughout Ontario, with eleven branches, and having warehouses at more than thirty points, went into operation this week. Their main buying and executive offices are located at the old offices of the Wholesale Grocers' Association at 35 Front St. E., Toronto.

There will be an offering of securities in Canada as well as in the United States, it is understood, and representatives of the investment banking interests were in Toronto on Thursday in connection with this.

New Series on Foreign Trade

On page two will be found the first of a series of articles on foreign trade to appear regularly in The Post. The articles aim to give practical useful foreign trade information. The articles will run upwards of six months.

Another series of ten articles on inheritance taxes begins on page 3.

Those who are not regular subscribers to The Financial Post should enter their subscriptions today. One year (52 issues) $5 or to new subscriber a special trial offer of ten weeks at $1 is offered.

Canada is Denied Prosperity Through Lack of Courage

Immediate Re-Choosing of Federal Government and Adoption of Policies of Courage Needed to Stem Stagnation in Canada

House of Commons,
Canada
The Deputy Speaker

Peterborough, Ont.,
August 15th, 1925.

Editor, The Financial Post.

Dear Sir,—I have read with some care and interest the editorial in The Financial Post on "Bring on an Election, Stop This National Loafing." As I have been in the House of Commons every day, except three, in the last four years, during which time legislation for that period has been introduced, I would like to know what specific charges there are that furnish the ground for your contention. I know how easy it is to write an editorial of this kind making general allegations, because, as an old newspaperman, I have associated with a good many editors and writers in my time.

I am particularly concerned in what your immigration policy would be, and also how you would suggest that the civil service might be re-organized and, if you do not mind, I would like to have your view of what change you would make in the railway policy.

I might say that I expect to speak in most of the cities and towns, in Ontario, during the next election campaign, and I intend to criticize The Financial Post, so I am taking the liberty of enquiring if you would give me your views specifically, on the matters you mention.

Yours faithfully,
G. N. GORDON.

GNG/M

WHAT request could be more fair than that of Mr. Gordon? The Financial Post has demanded an immediate election to clear the track for business and in making its demand has accused the present government of lack of courage in handling the important problems of the day. It has asked for a re-choosing of national leaders to the end of obtaining for the country a government with a popular mandate and with the support of public opinion; a government that will put an end to national loafing and really solve some of the outstanding problems of Canada to-day.

It is regrettable that such a demand, while earning and receiving whole-hearted commendation from business men, should incur the resentment of political leaders in the Liberal party—even though it was a non-partisan, non-political demand, voicing only the viewpoint of business. The distinguished young deputy speaker, who did much for Liberal solidarity when he won his first federal election contest against a staunch and tried political veteran and who has only too soon permitted himself to be shrouded in the cloak of political darkness that is the over-mantle of his present chair of dignity, challenges the stand of The Post. Evincing a fighting spirit that shows how little the courteous banalities of the speaker's chair have dampened his native political ardor, he says, in effect, "It is easy to criticize; but have you any better policy to offer?"

The question indicates a lack of understanding on the part of the deputy speaker of the responsibilities and functions of a government. The people elect a government to provide them with happiness and prosperity. It is the duty of the government to determine the policies that will bring such a condition. The people may suggest but they look to their government to do the work and if it fails the government has proven itself incapable. The failure of the present government is best indicated by its failure to bring prosperity to Canada. Canada is far from prosperous; only a professional politician would deny that statement.

Generally speaking, business is neither Liberal nor Conservative. The great national problems to-day are not problems concerning which the parties have clearly differentiated policies. In action or inaction in the railway problem, the immigration problem, the taxation problem lies the difference between prosperity and depression in Canada. There can be no party split on that point. Sound solutions of these problems may not be missing from the Liberal party's policies, but solutions of these problems are missing from the present government's policies. The Financial Post—and the business community at large—have lost confidence in the present government because it does nothing, not because it is Liberal. The leaders of the government must see the necessity for action on these matters, but it leaves them severely alone. For that reason it has merited criticism. For that reason the demand is made that the people should be given an opportunity to put into power a government powerful enough to replace inaction with action.

* * *

THE honorable and learned member from Peterborough is entitled to an answer. He asks for the policy of The Financial Post on:

IMMIGRATION.

CIVIL SERVICE ADMINISTRATION.

RAILWAYS.

It is ironical that he should demand a definite laying down of principles on questions that have brought no definite policies from his own colleagues. Surely he has heard the voice of business on these matters. Surely he has not been deaf to the insistent cry of business men for courageous solutions, and the definite suggestions that have been made by our banking and business leaders in public pronouncements.

The answer to Mr. Gordon need be little more than an interpretation of the viewpoint of business.

He shall have his answer.

He does not ask for the policy of The Financial Post on another equally important question that was also mentioned in the front page editorial of last week that caught his eye and aroused his anger:

TAXATION.

He shall have some comments on this problem as well.

* * *

THE greatest of our problems to-day—though it would be unfortunate if it became the greatest of our issues—is the railway problem. The Financial Post knows that many of the most powerful minds of the country believe that the immediate method of eliminating the deficits in the government-owned railway system, and at the same time protecting shippers with moderate freight tariffs, is through the consolidation of operation of the two great rail highways of Canada. Enormous savings, perhaps $75,000,000 to $100,000,000 a year, it is universally admitted, would result.

Other solutions have been suggested and these have been reviewed and will continue to be reviewed in these columns. It may be that one of them will provide the way out. No government with the authority of the popular will would have any difficulty in choosing the one to cut the deficits and hence to reduce taxes.

Consolidation has to-day the substantial backing of business opinion. Consolidation must not be effected through the confiscation of the investments of Canadian, British and American investors who have shown their faith in Canada, by backing this country with their millions. It must not be effected under the wasteful administration of government operation. If consolidation is chosen as the solution it must be worked out under private or joint business management along some line such as that suggested by the Senate. The Financial Post recognizes that the public is not yet ready to grasp the significance of such a colossal merger and that therefore the suggestion is momentarily unpopular. For this the government must accept the blame. Public suspicion is due to lack of public educa-

(Continued on page 4)

Western Business Will Be Better Than Average

By J. W. TYSON, Editor, The Financial Post.

SASKATOON.—Analysis of the crop situation from the business standpoint throughout a tour which has extended from Winnipeg to Moose Jaw, Calgary, Edmonton and back to Saskatoon, during which public men, farmers, bankers, merchants and other business men have been interviewed, not only confirms that the harvest of this year will be the closest to a normal agricultural performance he West has seen, but the prospects of yield and price indicate that there will be a very substanial profit surplus.

The extent to which this will result in new buying power is, of course, difficult to estimate, but there is a very well founded belief the debt burden has been so greatly reduced that this year will see the rise of the business line from below to above what might be regarded as the mean average.

Not Much is Needed to Pay Old Debts

There is increasing optimism as the harvest advances. There is conviction that the backwash which swept away such a large portion of the returns of the crops of the past few years to pay arrears of debt has largely subsided. There will still be a large share of the proceeds to go for debt but there should also be a much larger amount to go directly into the channels of trade.

The extent to which prosperity will revive cannot be foretold, but it is quite possible that just as the non-paying crops pyramided depression so will a paying crop pyramid prosperity. That is to say that just as the one discouraged immigration and the investment of capital and led to the compounding of debt so will the other encourage immigration and the investment of capital and will swell the volume of prosperity as the money circulates through succeeding trade and industrial channels.

Evidence Now Piles Up of Better Business

Within the past few days there has been evidence of what this year's crop is likely to mean to business. Wholesalers report that there is a brisk demand for goods from country points, as the element of danger in regard to the crop is reduced, and a yield, which at the market means a substantial profit, is more strongly assured.

The tendency on the part of merchants to build up their stocks in preparation for after harvest buying is much in evidence. There is a new basis of credit and business is expanding. If the recovery becomes of proportions to cause a shortage of goods in some lines, it would be no matter for surprise. The last two crops have been disappointing as creators of new buying demand, but the view that with debts greatly reduced there will be a real business revival this year is held by the soundest business men in the country. They are preparing for it.

There is a big movement of freight through the Saskatoon yards and the implement houses are finding a demand which is taxing their facilities for the time being.

DONOHUE'S TO BUILD A NEWSPRINT MILL

Donohue Brothers in Conjunction With Mead Interests to Build Mill

From Our Own Correspondent.

MONTREAL.—The Financial Post learns that Donohue Brothers, of Murray Bay, P. Q., are to enter the newsprint industry shortly.

The present mill has a daily capacity of 120 tons of mechanical pulp. The new paper mill will have two newsprint machines and will probably be situated at Ste. Anne de Beaupre, because of the adequate electric power supply which is available from the Laurentian Power Company. The undertaking will be carried out in conjunction with the Geo. H. Mead Company, and it is likely that there will be an amalgamation of the Mead interests and the Donohue interests, whereby Donohue Brothers will look after the supply of wood, whilst the Geo. H. Mead Company will look after the making of the paper and its sale.

Before constructing the mill, additional timber limits will be acquired; this is being undertaken by the Geo. H. Mead Company. The acquisition of these limits is being held up due to the law-suit over the Bayless properties at Ste. Anne de Beaupre. When the matter of the limits has been finally settled, the decision as to the site of the newsprint mill will be made and construction will commence.

When the amalgamation is completed, Donohue Brothers will not lose control of their property. It is not anticipated that there will be any public financing for the project—capital will be secured in New York through the Geo. H. Mead Company. The latter concern is one of the big factors in the newsprint industry on this continent, as it handles the export sales of Laurentide, Brompton, and Price Brothers.

C.P.R. HAS BEST EARNING MONTHS OF 1925 TO COME

Will Line Earn Dividend This Year is Question

U.S. PAPER SAYS NO

But it Overlooks the Larger Crop Assuring Bigger Freight Tonnage in West This Fall

Is Canadian Pacific earning its dividend this year? In some quarters it has been figured that it is not earning its dividend. One United States financial paper has it all figured out that the company will earn only 9 per cent. instead of the usual 10 per cent., and a small margin.

A glance at earnings for the year to date make such a conclusion seem justified. In the first half of the year, C. P. R. earned $75,155,819 gross, a decline from the 1924 figure of $84,656,917. It earned $7,797,646 net as compared with $10,390,084.

It must not be forgotten, though, that C. P. R. had its best six months in the first half of 1924. It had weekly and monthly increases then. In the last half of the year, revenues fell below the previous year's level and this condition has continued into 1925. But the assurance of a great increase in Western tonnage gives promise of a busy four months ahead for C. P. R., and this should enable the line to pick up lost ground and earn at least the dividend and probably an extra one per cent., as in 1924. C. P. R.'s best months are ahead.

Is It Speculative Buy?

There is a steady accumulation of C. P. R. going on among British and American investors who are convinced that out of the present railway discussion in Canada will evolve a working arrangement between the two big lines that will either give C. P. R. wide scope or a guaranteed dividend. With a guaranteed 10 per cent., C. P. R. common sell between 175 and 200, and the possibility of this makes it a good enough speculation for many people.

The Montreal editor of The Financial Post writes the following on a feature of C. P. R. that has received little attention:

The picture which appeared last week in The Financial Post showing Lord Strathcona driving the final spike in the transcontinental line of the Canadian Pacific Railway, calls attention to an important point in connection with the financial structure of the road—a point which moreover has not received any attention from either financial writers or investors.

The line across the continent was finished in 1885 and the next 28 years, up to 1913, was the period during which the C.P.R. expanded and increased its capital structure. To all intents and purposes the funds put into the road between these years constitute the capital upon which the company is now paying fixed charges and dividends.

During this period, these 28 years of expansion, the Canadian dollar was worth on an average at least twice what it is to-day—that is, it would purchase twice as much labor and twice as much material. Putting it the other way around then, the company is capitalized at say half its replacement value because prices during the last forty years have increased with such rapidity.

Now When Prices Fall

What bearing has all this on the finances of the company? Since 1914 the C.P.R. has not been growing, except,

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The Business Outlook in Canada

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

U.S. MARKET TAKES BULK OF CANADIAN LUMBER EXPORTS

Canada Stands Second Among Large Exporters of Forest Products

Canada stands second among the large lumber exporting countries of the world. The relative order based on values during the past year was United States, Canada, Sweden and Finland. From the timber areas in the eastern provinces large quantities of white pine and spruce as well as the minor species of pulpwood are produced and exported. In the West, British Columbia is the source of valuable timbers such as Douglas fir, western hemlock, Sitka spruce and cedar.

The largest share of Canadian wood and lumber exports is taken by the United States. This results from the proximity of our principal lumber markets, the Northeastern and Northern States, to the Eastern Canadian provinces, and to water transportation from British Columbia to the North Atlantic ports. For many years the Northeastern and Northern States had their own supply of white pine and spruce, but with the decreasing supplies of timber in these states during the last decade, the eastern provinces of Canada have become the nearest source of supply for softwood of this nature. In this way, Canadian soft woods are competing with United States southern and western softwoods which, to a large extent, seek the same market.

Spruce the Big Export

The most important item in lumber exports was spruce, which came principally from the eastern provinces. The bulk of this went to the United States while a large quantity also went to the United Kingdom. Smaller quantities went to Argentina, Ireland, Newfoundland and Australia. The second largest item in value was pine lumber, although Douglas fir stood second in quantity. Here also the United States was the largest customer, with the United Kingdom taking second place. In the case of Douglas fir the largest quantity went to the United States, while Japan and Australia came second and third. Normally Japan, United Kingdom, United States and Australia, in the order named, are the largest purchasers of Douglas fir. Lath and shingles stood next in value and practically all of these went to the States.

The log and pole trade constitute a large part of the total Canadian business. The total value of logs exported was more than $4,800,000 and the total value of exports of poles was approximately $3,000,000, practically all of which went to the United States. Railroad ties, largely of Douglas fir, accounted for exports amounting to more than $1,000,000. More than half of this went to the States, and smaller quantities to Britain, Egypt and India.

Other items of lesser importance in the Canadian lumber trade were box shooks, valued at over $700,000, largely going from British Columbia to the Straits Settlements, Australia, New Zealand, and China; birch spool wood or dimension stock from eastern Canada for spool manufacturers, valued at $575,129, and principally going to the United Kingdom; veneer and ply woods to the value of over $300,000, 45 per cent. of which went to the United States and lesser quantities going to Australia, New Zealand, and the United Kingdom; "doors, sash, and blinds," probably most of which were doors, amounting in value to nearly $200,000, the most important market being New Zealand; and handles to the value of over $100,000, over one-half going to the United States.

Following are statistics of the lumber exports for the last fiscal year:

Items		Quantity	Value
Logs:			
Cedar	M ft.	122,709	$2,103,205
Hardwood	"	12,409	286,584
Pine	"	3,547	76,586
Spruce	"	11,888	192,815
Other	"	137,831	2,196,108
Square timber:			
Douglas fir	"	84,348	1,940,262
Hardwood	"	3,290	155,141
White pine	"	3,693	144,962
Other	"	9,678	236,226
Lumber:			
Fir	"	412,545	8,738,197
Hemlock	"	93,141	1,955,975
Pine	"	414,405	16,826,112
Spruce	"	908,236	25,550,888
Other	"	173,920	8,284,837
Spool wood	"	9,899	575,129
All other			26,600,043
Total			$95,863,090

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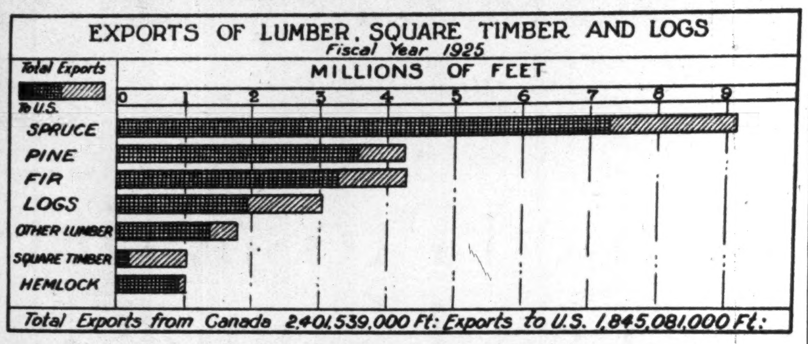
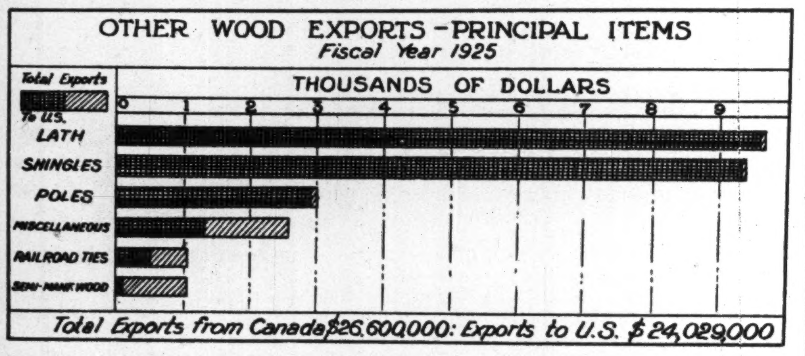




FOREIGN TRADE OPPORTUNITIES—No. 1

Argentina Offers to Canada Big Trade Chance

Rapidly Developing Young Nation Needs Our Products Yet We Are Getting Less Than 2% of the Business — Some Shipping and Banking Pointers

The rapid expansion of some of the great South American Republics such as Argentina, involves untold trade opportunities for those countries sufficiently aggressive to seize them. Unhampered as they are by burdens of national debt, some of these states face an era of unhindered growth. Their purchasing power is great; their natural resources are almost untapped. They need just such products as we can supply them with. They have no national prejudice towards us as in the case of some of our competitors.

The principal products purchased by Argentina from Canada comprise automobiles and their accessories, farm implements, rubber tires, sewing machines, lumber and lumber products, iron piping and iron wire, etc. Of these and related products, Argentina bought from us last year more than $10,000,000 worth. Their total imports, however, average more than $700,000,000 so that the Canadian share at present is ridiculously low in relation to what it should be.

The year just closed was a record for automobile sales, and it is expected that the coming season will surpass the last in the number of cars and accessories sold. It is probable that motor sales this year will pass the $50,000 mark. Less than 3 per cent. of the automobiles imported are European cars, low and medium priced cars comprising the bulk of the machines used in Argentina. More than 80 per cent. of the business is going to six large American firms, three of which have branches in Buenos Aires. In the accessory business especially it is stated that a big opportunity exists for Canadian business.

Need Farm Implements

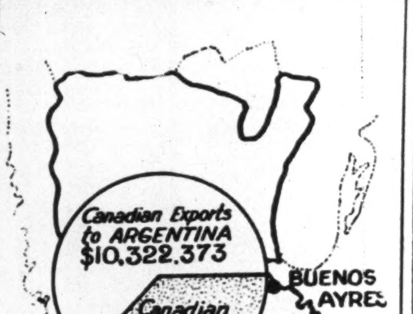
Then again in the farm implement field the rapid development of grain growing in Argentina has not been paralleled by a similar development in farm implement industries. They are obliged to purchase these largely from abroad. Canada and Argentina are very similar in their farming operations, and the implements used are almost the same. In this way Canadian agricultural firms have a special opportunity to develop this business.

Argentina already purchases large quantities of Canadian lumber, but with the development of the cities, large building projects are requiring more and more lumber each year. Since the republic is not provided with ample lumber resources, there are remunerative opportunities for Canada. Since Argentina is one of the countries accorded "most favored nations" treatment in tariff matters, the rates being midway between those of the British preferential tariff and those of the general tariff, there is much business now going elsewhere which a little effort would obtain permanently for Canada.

The chief products coming to Canada from Argentina comprise hides, skin, wool, tanning materials, and similar products. Argentina is very similar to Canada in many respects. The area is 1,153,490 square miles and the population is about the same as that of Canada. The country is divided into provinces and the constitution is federal like our own. The capital city, Buenos Aires, has a population of about 1,700,000, and there are four other cities with more than 100,000 people.

The unit of the country's currency is the peso. It is more or less of a dual standard, however, since there is a gold peso valued at 96.48 cents, and a paper peso valued at 42.45 cents. The current quotation of the latter is slightly above 40 cents.

The shipping requirements of the Argentine Republic are similar to those of most of the Spanish countries in regard to documentation and the number of consular receipts required. It is most important, however, that full information in this regard be obtained from the nearest Argentine consul, or from the foreign department of one of the chartered banks. The Royal Bank of Canada has two branches in Buenos Aires, and the other leading banks work through correspondents. The requirements are simple, but must be very strictly adhered to or else trouble will result. Details in this regard will be gladly supplied by The Financial Post on request.



Details of the main articles bought and sold by Argentina follow:

Chief Argentine Imports *

	Quantity	Value (Pesos)
Cotton manufactures	......	45,875,000
Mineral oils	731,891 tons	34,500,000
Iron and steel	......	32,108,000
Coal	2,220 m. tons	18,649,000
Chemicals	......	17,086,000
Machinery	......	15,584,000
Miscellaneous	......	....

Woollen cloth, lumber, burlap, silk manufactures, automobiles, steel rails, newsprint, binder twine, etc.

Chief Exports

	Quantity	Value (Dollars)
Wheat (inc. flour)	140,275,000 bus.	169,726,000
Corn	111,547,000 bus.	80,798,000
Linseed	36,909,000 bus.	66,203,000
Beef, chilled or frozen	893,006,000 lbs.	43,427,000
Cattle hides	310,081,000 lbs.	42,836,000
Wool, greasy	415,161,000 lbs.	37,762,000
Butter	53,977,000 lbs.	13,651,000
Tallow	175,133,000 lbs.	11,774,000
Quebracho extract	273,862,000 lbs.	10,731,000
Mutton, frozen	180,103,000 lbs.	7,398,000

* 1922 figures, etc.

Canadian Conditions

Car Loadings—

	1925	1924
Week Aug. 8	48,325	47,562+ 1.6%
Yr. to date	1,619,994	1,695,890— 4.7%

Grain Receipts—

	1925	1924
Aug. 1 to July 31	261,185,932	434,268,546—40.3%

Building—

	1925	1924
July	$11,266,421	$10,195,058+10.5%

Bank Clearings—July—

	1925	1924
	$1,321,368.298	$1,453,999,460— 9.1%

Savings Deposits—Chart. Banks—

	1925	1924
June	$1,253,703,216	1,453,999,460— 9.1%

Current Loans—By Banks—

	1925	1924
June	$895,592,277	$986,366,366— 9.2%

Net Dominion Debt—June 30—

	$2,378,619,626	$2,389,912,241— 0.4%

Railway Earnings—

June—		
C. P. R.	$13,464.647	$15,135,633—11.03%
Oper. Exp.	11,880,196	12,675,983— 6.3%
Net	1,584,451	2,459,650—35.6%
6 Months—		
C. P. R.	$75,155,819	$84,656,917—11.2%
Oper. Exp.	67,356,173	73,266,833—8.06%
Net	7,799,646	10,390.084—24.9%
June—		
C. N. R.	$18,204,662	$19,678,067— 7.5%
Oper. Exp.	18,637,038	20,604,250— 9.5%
Net (def.)	432,376	926,383—53.3%
6 Months—		
C. N. R.	$105,543,743	114,862,558— 8.1%
Oper. Exp.	101,801,397	112,233,128— 9.3%
Net	3,742,346	2,629,430+42.3%

Balance of Trade—

12 months, June 30—		
Exp.	$1,078,546,094	$1,062,243,790+ 1.4%
Imp.	808,896,004	854,914,878— 5.4%
Bal.	269,650,090	207,328,912+30.04%

Wheat, No. 1, Nor. Winnipeg—

1925	1924
Aug. 17 (Oct.) $1.42	Aug. (Av.) $1.43

Capital $1,000,000 Reserve $350,000

At your service with your every trust company need

STRENGTH—SECURITY EXPERIENCE

The Eastern Trust COMPANY

Head Office—Halifax, N.S.
St. John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL—138 St. James St.

"We go on forever."

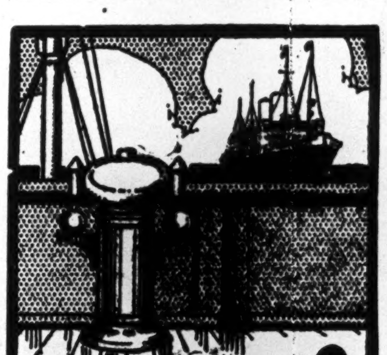
THIS FIRM HAS BEEN DOING AN INVESTMENT BUSINESS FOR MORE THAN 38 YEARS

Whether your interests are Bonds or Mortgages, Real Estate or Mines, you will find it both pleasant and profitable to deal with us.

PEMBERTON & SON

Established 1887

Pemberton Building
Victoria, B.C.



To Europe

Travel in luxury on the palatial steamships of the Canadian Pacific fleet. Service to guests perfect in every detail. Accommodation should be secured early.

Apply to local agent,

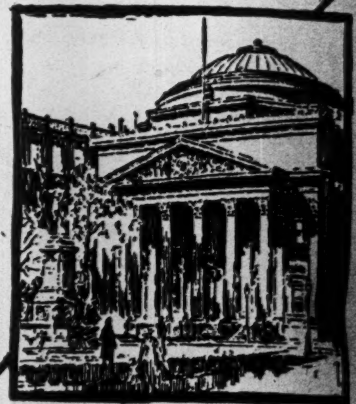
J. E. PARKER,
General Agent,
Ocean Traffic,
Canadian Pacific Bldg.,
Toronto, Ont.

CANADIAN PACIFIC

Specialized Banking Service

A SPECIALIZED service in the collection and transfer of funds and in obtaining credit information abroad has been built up by the Bank of Montreal through its Branches in Great Britain, France, the United States and Mexico, and through its banking connections in every part of the world.

The facilities of this service are obtainable at any Branch of the Bank throughout Canada.



BANK OF MONTREAL

Established over 100 years

The Bank of Nova Scotia

Established 1832

Capital	$ 10,000,000
Reserve Fund	19,500,000
Total Assets	220,000,000

GENERAL OFFICE—TORONTO, ONT.
J. A. McLEOD, General Manager.

Branches at all the principal centres throughout Canada and in Newfoundland, Cuba, Porto Rico, Dominican Republic, Jamaica, and in the United States at—
Boston Chicago New York
London, England, Branch.
108 Old Broad Street, E.C. 2.

Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations, and individuals carried on most favorable terms. Correspondence Solicited.

Drafts

THIS Bank issues drafts which are payable wherever men trade or travel.

OUR service is known and used from the busy centres of commerce to the very frontiers of civilization. 35

THE CANADIAN BANK OF COMMERCE

Capital Paid Up $20,000,000
Reserve Fund $20,000,000

Foreign Exchange

This Bank specializes in foreign exchange. You may be sure the rates quoted by us are right, and if you are buying or selling a substantial sum let us get up-to-the-minute quotations by wire. 29

IMPERIAL BANK OF CANADA

182 BRANCHES IN DOMINION OF CANADA

Agents in Great Britain { ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND—The Commercial Bank of Scotland, Limited, Edinburgh and Branches. IRELAND—Northern Banking Co., Limited, Belfast and Branches.
Agents in FRANCE—Lloyds and National Provincial Foreign Bank, Limited, Credit Lyonnais.

The Weyburn Security Bank

Chartered by the Act of the Dominion Parliament
TWENTY-SIX BRANCHES IN SASKATCHEWAN
HEAD OFFICE - WEYBURN, SASK.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; M. A. Miller, Weyburn, Sask.; S. E. Oscarson, Fargo, North Dakota; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Transacted.

Dividend No. 154

Notice is hereby given that a dividend at the rate of 8 per cent. per annum upon the paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Tuesday, the First day of September, 1925, to shareholders of record at the close of business on the 15th day of August next.

The Transfer Books will be closed from the 17th to the 31st day of August, both days inclusive.

By order of the Board,

J. W. HAMILTON, General Manager.

Winnipeg, July 16th, 1925.

UNION BANK OF CANADA
HEAD OFFICE WINNIPEG

MONTREAL TRAM REVENUES GROW TO $12,600,000

Montreal Tramways Commission Report Indicates Results for Past Year

From Our Own Correspondent.

MONTREAL.—Many of the larger cities on this continent in the course of the past year have reported a decreased street car traffic, but the Montreal Tramways Company during the fiscal year ending June 30, last, carried approximately 300,000 more passengers, bringing the number of paying passengers to the 200,000,000 mark. The seventh annual report of the Montreal Tramways Commission to the City of Montreal was issued this week. The Tramways Company operates under the guidance of the Commission. The report gives definite figures on the year's operations, together with a general review of conditions, also the details of extensions and other matters of interest. The gross receipts for the year were $12,645,596, as compared with $12,463,796 in 1924 and $12,056,355 in the year 1923.

The total capital investment of the company has now reached the $41,000,000 mark. One of the features of the report is the fact that the company had sufficient revenue to pay not only its current annual rental to the city, but also to make the deferred payments for the first lean years which followed the redrafted agreement with the city in 1918.

During the year the company made considerable additions to its power supply and its buildings, and renewed over 33,000 feet of track. Work was begun on track extensions which, when completed, will total over 24,000. Considerable rolling stock equipment was added, which includes 15 new passenger cars.

The final settlement of the deferred payments of the annual city rental enables the company to devote its entire attention to the improvement of both its system and its service.

A study of the section of the report which deals with fares and shows the distribution of the revenue so obtained, gives striking testimony of the advantages of private ownership when properly controlled by some form of public utility commission. For example, the average fare in Montreal amounted to 6.06 cents, whilst in the United States in cities of 50,000 population and over, the average fare is actually 7.27 cents—more than 20 per cent. higher than in Montreal. The report shows exactly what portion of the fare goes to pay salaries, fixed charges, taxes and all the other charges which the company must meet. The 6.06 cent fare is distributed as follows:

	Cents
Salaries	2.73
Material	1.22
Interest on Bonds	.92
City of Montreal	.67
Maintenance Fund	.08
Dividends	.19
Taxes	.08
Financing	.09
Surplus	.08
	6.06

It will be seen from this table that less than four-fifths of 1 per cent. of each car fare goes to the paying of dividends, whilst 75 cents, or over 12 per cent. of the fare goes to the City of Montreal, and also to pay taxes.

The amount paid to the City of Montreal represents 0.67 cents per fare, this deducted from the average fare gives the real cost of transportation as carried out by the Montreal Tramways Company as 5.39 cents, without taking into account the paving expenses, which, in many cities, are entirely assumed by the municipality. A comparison of this last figure with the higher Toronto rates and also the 7.27 cents which is the average fare in the States, is interesting.

DETROIT APARTMENT HOUSE FIRE LOSSES

Poor Protection During Construction—Street Obstruction and Fire Hazard

The report on the recent disastrous apartment house fire in Detroit by the Michigan Inspection Bureau gives some interesting details as to the origin of the fire and the conditions which block the firemen from reaching the scene. As regards the origin of the fire the report states:

"A structural iron worker with helper went to the building at noon to move some iron beams and to burn off the corners of some angle irons which projected through the archways. These workmen were using an acetylene torch on the second floor of the east wing at the time of the fire. The helper stood by with a pail of water to extinguish any fire caused by molten iron falling on the floor. The floor was shiplap and undoubtedly some of these sparks fell to the first floor through openings in the second floor.

"Several parties in the neighborhood tried to call the fire department on the telephone, but service in that section was cut off due to the rapid spread of the fire, severing the telephone cable, which was immediately in the rear of the burning building."

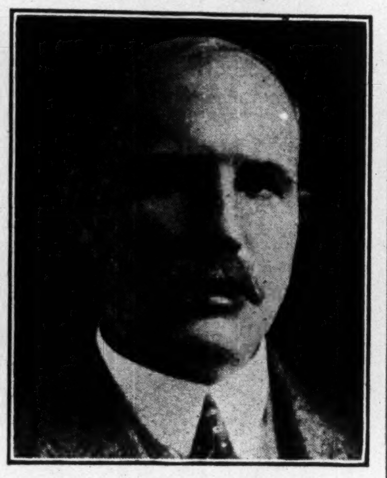
In its conclusions the report submits the following:

"Suitable legislation is immediately necessary in order to control the traffic congestion at time of a fire so the fire department can get to work promptly. First alarm companies were not handicapped by parked automobiles, but additional companies were held up to a serious extent by traffic congestion.

"An occupied apartment is equipped with chemical extinguishers and is regularly inspected for fire hazards, while the risk under construction has practically no fire prevention supervision, although such hazards as plumbers' blow torches, acetylene welding, etc., are always present. It is not thought that the builders' risk has received the attention that it should.

"This fire illustrates the hazards presented by inflammable roof coverings."

To Head Merger



COL. ROBERT STARKE.

Who is expected to head the merger of Frothingham, Workman and Starke, Seybold, Montreal wholesale hardware firms, under the name of Frothingham, Starke, Seybold. While the deal is not completed it is expected that it will materialize.

In all probability the officials will be Col. Starke, president; and George Davis and Gordon Seybold, vice-presidents.

BESCO SPEEDS UP; COAL MINES OPEN AND STEEL HEATS

Rail Order Likely if Government Goes to the Country

From Our Own Correspondent.

SYDNEY.—After two solid years of the most discouraging depression, Cape Breton seems to have turned the corner and the industrial outlook for the balance of the year at least is brighter than it has been for a long time past.

The coal strike is over, the British Empire Steel Corporation mines are fast getting back into their production stride, and it is fairly certain will have to work steadily from now until navigation closes to keep up with the demand for coal to supply the Maritime, St. Lawrence, Newfoundland, and coastal markets.

During the next two weeks, also, the steel plant will take on about 300 more men and open up a blast furnace on foundry iron, while billet and blooming mills will work over coal stock into shape for the requirements of the rod, bar, nail and wire mills. These last are the most stable departments of the Sydney steel plant, and the demand for wire—barbed wire—is particularly brisk. There is said by officials to be a connection between this demand and the prosperous condition of the West this harvest and last.

May be Rail Order

All indications are that further expansion of steel plant operations and employment can be expected, particularly if the federal government decides to go to the country, in which event a rail order sufficient to keep the men going all winter is anticipated.

Although some improvement both of the general market and local conditions is expected, steel men here are a unit in declaring that Sydney will never boom again until effective tariff and other measures are taken to protect Canadian iron and steel against depreciated foreign currencies, the cheap labor of continental Europe and the huge production of United States mills.

One Besco department that is booming at present is the iron business at Wabana. The full force of 2,500 iron miners is working day and night trying to get out the 1,250,000-ton production needed to fill vast orders in Europe and on this side of the Atlantic. Half a dozen huge freighters are running with the regularity of ferries between Wabana and Dutch ports carrying from eight to twelve thousand tons of ore at a cargo. Strikes come and strikes go, but the Black Diamond fleet is always busy.

Besco Wants Ore Royalties Repealed in Newfoundland

A series of conferences between directors of the British Empire Steel Corporation and the Newfoundland government opened at St. John's, Newfoundland, Aug. 15. The company, which secures its iron ore from the Wabana mines in Newfoundland, seeks the repeal of an export tax for fifty years on ore mined in its pits. The government controlling the pits has expressed itself willing to modify the present complicated contract and impose a straight tax on a tonnage basis.

Can You Afford to Die?

What Will be Left of Your Estate After the Nine Provinces Have Taken Their Toll?

This article merely introduces a series of articles which will enlighten investors on the serious problem of inheritance taxes.

WHETHER or not it should be classed as an instinct, the desire to make ample provision for one's dependents is decidedly innate. There are few stronger incentives to the accumulation of wealth. It was an extremely happy thought that an early legislator happened on, of taxing estates as they passed into the possession of the inheritor. Whatever business and property taxes might yield, or whatever might accrue from personal income, here was a sure source of revenue. All die, and all estates must pass from the dead to the living.

This was the legislator's viewpoint. That of the beneficiary was naturally different. Confiscation and state-socialism were the epithets hurled at this "new violation of the inherent right of transferring property." But the inheritance tax or succession duty so impressed legislators, that it was incorporated into the statutes of virtually all democratic nations in christendom. It had come to stay.

Up to the closing decade of last century there were few large estates in Canada. The inheritance tax, therefore, did not suggest itself. About 1890 the thriving young provinces found it necessary to cast about for new methods of raising funds, as the functions of government became more diversified. Ontario observed that its neighbors, the states of New York and Pennsylvania, realized large sums from the inheritance tax. It was a success also in Britain, hence a decision was made to incorporate succession duty legislation into the statutes of the province. Ontario's example was soon followed by Quebec and the other provinces, and today the nine provinces of Canada all have succession duties. From the passing of the British North America Act the Dominion government assumed control of the customs and excise, but has never adopted any form of succession duty. The provinces were empowered to raise revenue by imposing direct taxes within their respective jurisdictions, and it is unlikely that the Dominion government will enter the field of the succession duty, at least in the immediate future.

Where the Succession Duty Falls

With the growth of wealth and the accumulation of huge estates, many of which were spread throughout several provinces, the operation of the succession duty became extremely complex. There was little appearance of co-operation among the provinces in legislation, and all the provinces but one, Alberta, have imposed the tax on the entire estate of the decedent, both in and outside the province concerned, with the exception of real estate situated without. Many problems and much litigation arose, and all of the nine laws were amended many times. The result is that to-day it is necessary to study the nine succession duty acts, with all their amendments, in order to arrive at ones' total tax, and **it is probably necessary, further, to pay a succession duty to several different provinces on the same property.**

Without going into the legal aspect of succession duties to any extent, one reference will serve to explain much that follows. In the early court decisions emphasis was placed on the principle borrowed from the Roman law, "mobilia sequuntur personam," meaning that movable property follows the person (of the owner). It belonged to him where he lived rather than where it was situated. For this reason it was taxable in the place of his domicile, regardless of where it was located. This was an effort to avoid double taxation. The provinces, however, had been given the right to tax all property within their borders. Here was a conflict. The courts could not decide against this provincial right, and a blending of the two principles resulted. The combination did not favor the beneficiaries, who were obliged to pay succession duties in their home province on all personal property wherever located, except real estate outside of the province. They were, also, and still are, obliged to pay to other provinces, duties on property situated therein. Each province based its tax on the entire estate, and with a graduated scale the larger estates have to pay a large amount to each of the provinces in which property is situated. It is not impossible that beneficiaries of a large estate would have to pay nine succession duties in addition to what other countries might demand, based on property situated abroad.

We shall see in the next article how this tremendous problem of double taxation is being adjusted. We shall see, too, in succeeding articles, how this double and triple taxation can be avoided by the average investor.

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

When selecting a Trust Company as an Executor choose one whose fixed policy is to give
Financial Assistance
to Estates being administered by it
PAID UP CAPITAL AND RESERVE $1,259,430.36
The Imperial Canadian Trust Co.
Executor, Administrator, Assignee, Trustee, Etc.
Head Office, Winnipeg.
Branches: Saskatoon, Regina, Edmonton, Calgary, Vancouver, and Victoria.

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DOMINION EXPRESS TRAVELLERS' CHEQUES
Good the World Over
YOUR SIGNATURE IDENTIFIES YOU, THEY PROTECT YOU AGAINST LOSS

GOVERNMENT, MUNICIPAL, CORPORATION BONDS
Bought and Sold
Maritime Province Issues are of particular interest to us.
Correspondence invited.
"We cover the Maritimes"
EASTERN SECURITIES Company Limited
St. John, N.B. Halifax, N.S. Charlottetown, P.E.I.

A CANADIAN
40 years in Wall Street will be pleased to advise you regarding investments.
Correspondence invited
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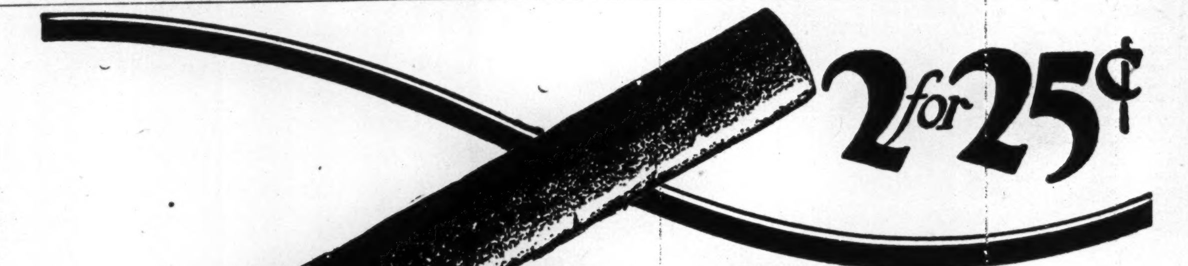

2 for 25¢
Tucketts
Preferred Panetela Cigar
"After all there is nothing so satisfying as a good Cigar"

All Winnipeg Traction System Involved in Deal

From Our Own Correspondent.

MONTREAL.—Although the Winnipeg Electric Company were robbed of $87,000 last week by five robbers who held up the company's cashier, yet it is learned that the entire amount is fully covered by insurance and that the company will suffer no loss.

With regard to the acquisition of the Winnipeg electric traction system by the civic authorities, A. W. McLimont, vice-president of the company, announced this week that the purchase must involve all the suburban and rapid-transit facilities of the company.

REDUCE CAPITALIZATION

McConnell and Ferguson, advertising agents, have reduced their capital from $250,000 to $230,000 by redeeming 200 shares of preferred at par and accumulated dividends.

CANADIAN BANK NOTE COMPANY LIMITED
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CORPORATION BONDS
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Alex. B. Mackay, M.A., LL.B.,
Solicitors for Standard Bank of Canada.
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Barristers and Solicitors.
Lewis Duncan H. Brooke Bell
Lewis Duncan, Author of "The Law and Practice of Bankruptcy in Canada."
Wilson Building, 73 Adelaide St. West, Toronto, Canada. Cable Address: "Bankruptcy" Toronto.

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E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers.
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CANADA PERMANENT MORTGAGE CORPORATION
14-18 Toronto Street Toronto
Canada Permanent 70 Years 1855 – 1925
Established 1855
W. G. GOODERHAM, President. E. R. C. CLARKSON, Vice-President.
GEORGE H. SMITH, General Manager
Capital Paid-up .... $ 7,000,000.00
Reserve and Surplus Funds 7,488,637.19
Investments 45,414,653.44
You are cordially invited to make the fullest use of our Savings, Bond, Trust and other Departments.

Annual Report of

Silversmith Mines Limited

(Non-Personal Liability)

BALANCE SHEET—May 31, 1925.

ASSETS

Property:		
Cost of Mining Property	$331,266.10	
Less Depletion of Mine through operation	316,266.10	
		$ 15,000.00
Machinery & Equip.	$183,304.78	
Buildings	87,042.42	
Total	$270,347.20	
Less Reserve for Depr'n.	99,955.85	
		$170,391.35
Total Property		$185,391.35
Current Assets:		
Cash in Banks:		
Old Nat'l. Bank, Spokane, Wash.	$ 21,377.83	
Bk. of Mont'l., New Denver. B. C.	11,885.62	
Special Acc't., N. Denver, B.C.	4,033.51	
Total Cash in Banks	$37,296.96	
Govt. Bonds	90,000.00	
Ore in Transit	29,210.28	
Ore on Hand	42,500.00	
Total Current Assets		$199,007.24
Prepaid Insurance		1,800.00
Total Assets		$386,198.59

LIABILITIES

Capital Stock:		
Preferred:		
Authorized	$250,000.00	
In Treas., unissued	250,000.00	
Common:		
Authorized	$500,000.00	
Assess. not called	125,000.00	
Outstanding—Paid up to 15c.		$375,000.00
Current Liabilities:		
Accts. Payable	$ 3,064.22	
Wages Payable	7,103.04	
Accrued Royalties	540.26	
Total Current Liabilities		$10,707.52
Surp. Acct., (Free)		$ 491.07
Total Liabilities		$386,198.59

PROFIT AND LOSS ACCOUNT—YEAR ENDED MAY 31, 1925

DR.

Mining in Ore		$ 96,362.42
Mining Expense		35,906.52
Development		8,859.25
Milling Expense		62,929.85
Power Plant Operation		13,057.36
Boarding House Loss		547.33
Insurance		3,600.10
Royalties		5,765.97
Taxes		21,729.91
General Expenses		33,925.05
Depreciation		22,682.60
Total Expenses		$305,456.36
Depletion of Mine	$ 7,670.55	
Gain for the Year	137,183.84	144,854.39
Total		$450,310.75

CR.

Received from Sales of 2644 Tons of Silver-Lead & Ore C'ncentrates	$244,162.96
Rec'd. from Sales of 3324 Tons of Zinc Concentrates	132,093.00
Actual Val. of 256 Tons of Silver-Lead Ore & Concentr. in transit	23,188.63
Actual Val. of 136 Tons of Zinc Concentrates in transit	6,021.65
Est. Val. of 264 Tons of Silver-Lead Ore & Concen. on Hand	29,000.00
Est. Val. of 300 Tons of Zinc Concentrates on Hand	13,500.00
Rec'd. Int. from Govt. Bonds	2,344.51
Total	$450,310.75

SURPLUS ACCOUNT—MAY 31, 1925

DR.

Balance June 1, 1924		$ 13,307.23
Gain for Year	$144,854.39	
Less Depletion	7,670.55	137,183.84
Total		$150,491.07

CR.

Dividends Paid	$150,000.00
Balance May 31, 1925	491.07
Total	$150,491.07

CERTIFICATE

I have audited the books and accounts of the Silversmith Mines Limited (Non-Personal Liability) for the year ended May 31, 1925. I report to the shareholders that I have received all the information and explanations I have required, and that in my opinion the above balance sheet is properly drawn so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of my information, and the explanations given to me, and as shown by the books of the Company, at May 31, 1925.

Approved:

H. C. LAMBACH,
JOHN B. WHITE,
Directors.
(Auditor's Report on file).

E. E. ALVERSON,
Auditor.

Our established connections in Canada, the United States and Europe, enable us to offer unexcelled facilities to investors.

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HEAD OFFICE. TORONTO 26 KING ST. E.
MONTREAL ESTABLISHED 1901 LONDON, ENG.

The Securities Markets

SMALL PROFITS ARE ATTRACTIVE; NO LONG FLURRIES

Selective Buying Features Trading Which is Quite Irregular

Market Indicator
20 Industrial Stocks

	High	Low
Week of Aug. 19	84.1	81.2
Week of Aug. 12	79.8	74.8
Mth. of Aug., 1924	70.3	66.6

The market continues a selective one and therefore very irregular. Practically no two days' trading are alike. Special issues are claiming the major portion of the interest, although there has been a fair demand for some of the best investment issues. It is a pretty fair market for this season of the year, brokers say. Prices are holding up fairly well, which indicates that stocks are not too plentiful at present levels. On the other hand there are indications that many holders would unload with a small profit, for almost every flurry that develops hardly gets under way before it encounters a flood of selling orders. Of course the professional element may be in a measure responsible by taking advantage of the weak position of the general market at such a season of the year to go short on two or three points advances.

The demand for bank shares came back quite strong after an ease up of some weeks. Nova Scotia, Imperial and Montreal each advanced better than one point. Toronto, Commerce and Royal were each one to two points weaker, without any apparent reason other than that the offerings exceeded the buying.

Quite a number of the paper reports are expected soon and this is said to be responsible for the recent flurry in some of these issues. Brompton, which is reviewed in this issue, sold up 3 points. Both Smith issues sold at higher levels as did also Spanish common. Price Bros. eased somewhat on profit taking. Steel of Canada was the only issue in the steel group to make a change worth while. The common advanced 2¾ though no reason could be advanced by brokers.

Bread in Demand

Canada Bread shares continue to feature the milling group. The new common has reached 61 as compared with the first sale of the issue on July 13 of 39. It was 4 points higher on the week. Maple Leaf Milling common is back to 88 as compared with 93 the first week in August. At the same time the preferred advanced to par again, where it has been a couple of times this year. Ogilvie continues its steady move up, reaching another new high of 171 compared with 143 the first sale of the new stock when the split took place in April.

Montreal Light, Heat and Power moved up from 205 to 209½ during the week and then eased back to 208, both of which are new levels. This gives this stock a record of over 50 points advance this year. Shawinigan has come into demand again and as a result moved up 5 points in one jump.

MacKay Weakened

MacKay common which has been the subject of many rumors and which closed last week at 132 jumped to 135 early this week. It could not stand the flood of selling, however, and eased to 131 and now stands at 132½.

C.P.R. is back to 149, a new high since March and within two points of the high for the year. The crop outlook is what is said to be behind the buying. Several brokers are said to be recommending it. Brazilian advanced to fractionally above 62 for another new high. The betterment in Brazilian exchange has created a much heavier demand than usual for the shares. Montreal Trams shares are becoming more popular in Montreal where the demand this week put the stock up 6 points.

The textile group continued off color. There were several rises among the industrials and a few setbacks. There is still a divided opinion in the asbestos field as witness the fact that Asbestos common advanced while the preferred dropped back two. B. C. Fishing was slightly better and Dominion Glass made 4 points. The outlook for the Canadian packing industry is said to be much better and is reflected in a better demand for Davies "A" which sold 2 points above the last sale of a couple of weeks ago.

That the settlement of the Montreal beer war was pretty well discounted before the announcement is evidenced by the fact that the advance immediately before the announcement was much greater than the three points gain since. Late this week the shares eased a point. Port Hope Sanitary common is again in demand and advanced 5 points during the week. This puts the stock 10 points above the July level of 75. The company has not had a heavy year, owing to the very ordinary building year, but its position is regarded as good and brokers say that there is a possibility that more of the preferred will be retired. Gilman common sold up 11 points above the last sale of Aug. 11 when the stock reached par. This is a new Moore enterprise which is said to be enjoying quite a prosperous year. Canners preferred seems to have dried up since the division of shares was announced. There was some trading in the common at unchanged prices. The demand for Dominion Stores seems to have been well taken care of as the stock is now back to 52, three points below the recent high. Christie Biscuit common is also off a couple of points, there being one sale of 100 shares at 58½ recorded during the week.

The market trend is indicated by the following table:

Group	Gains	Losses	Unchg.	Total
Banks	4	3	3	10
Paper	4	2	4	10
Steel	1	1	7	9
Milling	3	2	5	10
Utilities	4	2	6	12
Tractions	4	1	6	11
Textiles	0	1	8	9
Industrials	8	5	14	27
	28	17	53	98

NEWSPRINT OUTPUT HIGHER THIS YEAR

In July Canadian Mills Again Lead in Newsprint Production

From Our Own Correspondent.

MONTREAL.—In July, the Canadian production of newsprint, for the third time, exceeded that of the United States. The only other months in which this country ever produced more newsprint than the States were February and May of this year. This indicates that the long heralded newsprint leadership by Canada is fast approaching.

The production of Canadian mills in July was approximately 7 per cent. greater than in July, 1924, whilst the total production on this continent, during the month, was 6 per cent. greater than in the corresponding month of last year.

The figures follow:

	Canada	U.S.A.
July, 1925	121,664	121,113
June, 1925	124,209	128,430
July, 1924	114,133	114,859

For the first 7 months of the current year, Canadian production amounted to 868,108 tons as compared with an output of 793,276 tons in the first 7 months of 1924. This is an increase of 9 per cent. The U. S. mills during the same period only showed an increase of 1½ per cent.

The first 7 months of 1924 saw a considerable increase in the total output of Canadian newsprint mills. Despite a decrease in newsprint prices, the value of the newsprint exported to the end of June this year was $2,000,000 greater than in the first 6 months of last year, while the increase in quantity is represented by 12 per cent.

The figures for the first half of the past six years follows:

	Canada	U.S.A.
First half 1925	746,444	760,464
First half 1924	679,143	753,501
First half 1923	621,697	761,339
First half 1922	516,506	690,142
First half 1921	373,988	615,448
First half 1920	443,512	759,624

Naturally, the best market for the Canadian exports of newsprint is the United States, but it is satisfactory to note that shipments to overseas countries increased considerably and that 26,280 tons were shipped to overseas markets as compared with 9,674 tons which were shipped elsewhere than North America in the first half of 1924.

Although the overseas exports are small as compared with the total production, yet the increase in 1925 indicates the general trend, and for the future, there seems no reason to doubt that Continental and Southern American markets will continue to absorb more and more of the production.

CANADIAN NATIONAL RAILWAYS EARNINGS

The gross earnings of the Canadian National Railways for the week ending August 7, 1925, were $4,529,220.00, being an increase of $520,719.00, or 13 per cent. over the corresponding week of 1924.

The gross earnings of the Canadian National Railways from Jan. 1 to August 7, 1925, have been $130,443,577.00, being a decrease of $8,414,152.00, as compared with the corresponding period of 1924.

MEXICAN POWER'S EARNINGS HELD UP WELL DURING YEAR

Heavy Depreciation Appropriation Cut Net Below Previous Year

Mexican Light and Power Co. had a net income of $4,210,227, as compared with $4,524,371. The decrease is more than accounted for by the increase in depreciation appropriations.

Only veiled reference is made to the situation in Mexico. It is stated that the directors of the company viewed with deep concern the attitude of the Mexican government in support of extravagant demands of labor, and the effect which such a policy may have on the company's undertakings. Secretary R. H. Merry says that since the issue of the previous report, no serious disturbances have taken place in Mexico.

Managing Director G. R. G. Conway, in a special report points out that the company's plants were in first-class operating condition. The Alameda power plant which was under control of bandits in December, 1923, again came under the company's control by the middle of the following January, and has been operating satisfactorily every since. Little success has attended the company's efforts to collect any considerable portion of the very large sums owing for public services rendered in previous years.

During the year, consumers' accounts rose from 91,076 to 108,615. This represents an increase of 19.26 per cent., as compared with an increase of 23.38 per cent. in the previous year. In the industrial district the demand for energy for the small power consumer and domestic user was growing rapidly.

Net income with other income added made a total of $84,293,329. From this total appropriations are made on account of general and administration expenses, $100,423, and interest on bonds, $1,590,145, leaving a balance of $2,593,079, which is the contribution toward meeting the capital expenditures in accordance with the terms of the reorganization agreement. The balance sheet discloses floating assets of $3,955,952, against $2,4?8,518 in the previous year's report. Floating liabilities at $16,221,872 compare with $13,033,356.

JITNEYS CUT INTO MEXICO TRAM NET

Over 2,000 Were Competing at End of Year—Government Unsympathetic

Jitney competition in Mexico City made severe inroads into earnings of Mexico Tramways in 1924, with the result that operations show a serious deficit. Gross earnings fell off 4.68 per cent., while the net dropped 86.51 per cent. The average operating expense ratio of 84.91 is much higher than a year ago, and mounting rapidly. Manager G. R. Conway says the only way out is relief from taxation and an increase in gross. What must be faced in the latter case is shown by the fact that in Jan., 1924, there were 1,467 urban jitneys, and these increased 31 during the year. In suburban areas there were 602 in January and 670 in December.

Mr. R. H. Merry, the secretary, points out that every effort is being made to reduce expenses of operation, and to delay expenditures, which in many cases, such as changes in track locations and paving of streets now laid with cobble stones, are being forced upon the company by government and other authorities to the advantage of the jitneys, which escape similar obligations and merely pay their license fee.

No effective steps have been taken by either the Federal or municipal governments to satisfy the claim of the company for damages.

Earning figures, in Mexican dollars, follow:

	1923	1924
Gross	12,266,829	11,692,369
Expense	11,120,781	11,537,790
Net	1,146,048	154,579

C.P.R. HAS BEST EARNING MONTHS OF 1925 TO COME

(Continued from page 1)

of course, for several more or less short lines. But the time has now come, or is close at hand, for replacements and other additions which will have to be made and paid for with the dollar worth only 50c., as compared with 100 cents in 1900.

Equipment has been undergoing a constant change, consequently road and bridges will sometime have to be altered to suit the new conditions, and dividends will have to be paid on this further investment which will now cost twice as much as it would have not so many years ago. Now is the moment to take into consideration the fact that last year the road earned the equivalent of something over 11 per cent. on its common stock, and to figure out how the company will fare ten years hence when much present equipment is worn out and has been replaced, and many alterations and repairs made on the permanent way.

Putting the thing more baldly then, to replace the present equipment of the C.P.R., and by equipment is not meant only the rolling stock, will cost considerably more than it did even during the 1910 scale of prices—yet on its investment in those years the company is, under present conditions, only able to earn something over 11 per cent.

This is not intended to warn investors off C.P.R. stock for, in the past, this company's executive have surmounted many difficulties; when the time comes no doubt they will surmount this one, but it is a problem which not only concerns the railway and its shareholders but also Canada as a whole.

At the present time due to the strength of its financial structure, the road could go on paying its dividends for some years, whether it has any earnings or not.

Naturally, should the general price level drop down to the levels prevailing during the first few years of this century, the C.P.R. has nothing to worry about, but unfortunately although it is anticipated that the general price level will only fall slowly and that it will not reach levels approaching anything like those of 1893.

Vipond Cuts Good Veins On the Upper Levels

The upward extension of the central vein system of Vipond mines was cut at the 200-ft. level by a diamond drill hole in July. No. 10 vein assayed $10 over six feet. No. 12 vein $30 over seven feet. The property elsewhere is devloping satisfactorily, according to an official statement. Production figures follow:

	Tons	Recovery
January	5,204	44,600
February	4,737	47,200
March	5,195	50,100
April	4,60?	40,506
May	4,990	49,300
June	5,120	46,200
July	5,361	48,000

Water Power Bonds

NESBITT, THOMSON & COMPANY LIMITED
MONTREAL TORONTO HAMILTON WINNIPEG LONDON, Ont.

A Nation Building Investment.

Canada is Denied Prosperity Through Lack of Courage

(Continued from page 1)

tion. The government that will solve the railway problem will have the courage to tell the public the truth and make it see the one way out of the financial morass in which it struggles.

COURAGE—that is the essence of the railway policy Canada needs.

* * *

THERE is a grim echo in Mr. Gordon's request to know what The Financial Post's immigration policy would be since the public has been wondering for four years what the immigration policy of the government was going to be and it has always had more promises than policy. The only apparent policy has been one of obstruction to immigration; a policy manifestly dominated by a few labor leaders whose political support the government thought was essential to tenure of office. It has been a policy so different from that the public might normally have expected from the capable and overloaded business man who temporarily fills the post of minister of immigration, that it seems apparent that he has been only the unwilling and enforced director of its sequence of pussy-footing. Just as with the railway problem, Canada needs an immigration policy built on COURAGE and sold to the people by a government strong and fearless enough to do the job.

Canada needs not only a thorough over-hauling of its present-day immigration policy but a complete reversal of public sentiment on immigration. The key-note of public opinion in Canada to-day is "Keep out the foreigners." The public has come to regard the United States' new policy of greatly curtailing the immigration of foreign-born as the ideal. The government has followed suit. Without putting it in the statute books the government has established a quota law and has fixed the quota as a few hand-picked, preferably British-born, citizens ready to work on farms. Such a policy is obviously inadequate to bring people to Canada in any measurable quantity—certainly it is inadequate to stimulate a flow sufficient to offset the drain in other directions.

The United States' policy of severe restrictions on immigration is unsuited to Canada. The United States has a population of upwards of 110,000,000 people. Its cities are filled to over-flowing. Its farm lands are largely occupied. It has no over-built railways, few idle factories, no over-grown towns and utilities. It has almost ceased to be an exporter of wheat, its debt burden is not great and its taxation is declining.

Canada is in a different position. Its population is 9,000,000 and the difference in population is decidedly disproportionate to any difference that exists in the comfortably inhabitable areas of the two countries. Its cities are, with few exceptions, showing little growth. It has vast stretches of farm land it is not using. It has many thousands miles of railway that are not needed to provide transport for the freight offering. It has many overgrown towns and hundreds of idle factories. It grows food products beyond its possible needs, and therefore has no fear of food shortage. Its resources are scarcely explored. Its debt burden is growing instead of being reduced as in the U. S. A., England and elsewhere. The weight must be distributed over a larger number of shoulders.

Business men are coming to believe that Canada must reject the immigration policy of the U. S. A. as unsuited to Canadian conditions. It must frame its own immigration policy and that policy must be virtually THE OPEN DOOR; the policy that made a mighty industrial nation and a world power of the United States beginning at a time when its conditions were similar to those of Canada to-day.

There never was a time when so many splendid types of European immigrants were so anxious to come to Canada as to-day. We are not getting them. We could get them. Sir Clifford Sifton, as Laurier's minister of immigration, at a time when conditions were much less favorable, made a great immigration record.

Away with foolish fears. Canada can absorb and Canadianize 500,000 to 1,000,000 able-bodied workers every year. It cannot fulfill its duty to mankind or to itself by anything less than a free welcome to worthwhile workers from lands across the sea. We can set up standards of health and color; we can ask that every new citizen be of the type whose children will make good Canadian citizens and be good enough to inter-marry with our present stocks. But Canada's national motto should be, "WELCOME, STRANGER. Hang up your hat and start to work."

What is required is COURAGE to face the need, the duty and the doing.

Getting immigrants, however, is not enough. By tax reduction and a bringing back of prosperity Canada must be given the power to hold its immigrants when it gets them.

* * *

"HOW would you suggest that the civil service might be re-organized?" asks Mr. Gordon in another of those direct, pregnant questions; questions so like a legal examination for discovery as to suggest that Mr. Gordon is looking for material for the criticisms of The Financial Post he intends to voice on the public platform.

Here, indeed, is a place where Canada might more fittingly follow the United States than in regard to immigration. The United States has a director of the budget; Canada needs a similar official to act as director of civil government and to head a central budget bureau. Business administration under a business administrator cut federal expenditure in half at Washington and lopped thousands of useless limbs off the tree of civil government. Canada could do the same, must do the same if it is to reduce taxes and give impetus to business. Perhaps politicians and even the cabinet cannot see how this could be done. A high-grade executive, sitting at Ottawa and armed with managerial authority over the business administration of the government, could see how to do it and could save Canada millions yearly. He might create some nasty tangles for the politicians and foreseeing these, the government that appointed such an administration would have to show COURAGE.

Isn't it remarkable how COURAGE seems to show itself as a dominant factor in the formation of a new prosperity policy for Canada?

* * *

THERE, Mr. Gordon, are the answers to your questions. You did not mention taxation. Let us discuss the point but briefly since the need for tax reduction in Canada is so apparent that only the wilfully blind cannot see it. High taxation in Canada is a definite factor in preventing a return to normalcy in business; in damming the flow of new capital into industrial and other investments. It is threatening to make Canada so unattractive a place to live that immigration will be seriously affected. Taxes must come down; before they can be reduced expenses of government administration and railway losses must be reduced. Taxation is, therefore, directly linked with the problems of the railways and of administration of the civil government. But there are savings to be made in other directions as well; in public works expenditures, in government steamship operation. The government must get out of business and put a stop loss to such losing investments as the merchant marine.

* * *

SUCH are some essentials of a growing Canada. Canada must find and adopt such policies now. But Canada cannot adopt these policies, cannot even consider them, without first electing a government that represents the people and that has a clear majority and an unequivocal order to get to work. The present government has not such a mandate. Therefore, bring on the election NOW! Give the people a chance to elect a government of power and courage. If the election does not give us a definite decision, let us hold a second election at once. There must be no straddling of the fence. There must be decision, action and COURAGE.

Where Quality is Concerned

PEOPLE of discrimination—those who do not accept "something just as good" when they ask for a certain article—largely determine in each community what particular brands local dealers will carry.

An aristocracy of buying power, their influence is as great on Main Street as on Fifth Avenue.

An equal measure of discrimination is exercised by this element in each locality in the choice of the publications that enter their homes.

Hence the established and recognized supremacy of MacLean's Magazine as a medium by which the national advertiser may reach this—the most influential and most important group in the market.

That advertisers appreciate this is shown by the fact that in 1924 MacLean's Magazine carried more paid advertising than the next two Canadian magazines combined. Under every classification MacLean's carried more advertising than any other magazine published in Canada. In the case of automobiles and accessories, there was almost five times as much advertising in MacLean's as in any other Canadian magazine.

The success or failure of each advertised product is determined by whether it is "sold" to the leading influential families.

MacLean's Magazine is pre-eminently the magazine of Canada's leading homes—those in each locality who want and get the best.

Sell to the leaders in Canada through MacLean's

WESTERN GROCERS SELLS A BRANCH

Too Many in Regina Reason For Disposing of Business There

On the assumption that the retail and wholesale grocery business in many centres is overdone and that they were offered a good price, Western Grocers announces that it has sold its wholesale warehouse and equipment and grocery stock in Regina to Macdonald's Consolidated.

In making the announcement, Pres. W. P. Riley stated that his company had a nice turnover in Regina and had an outlook as good as any other house there, but it has been recognized for some time that there were far too many wholesale houses in the city. The company has other branches at Moose Jaw, Brandon, Yorkton and Saskatoon and contemplates opening houses at jobbing points that are not now represented at. Mr. Riley said:

"We in Western Grocers have great faith in the future development of this western country. We believe it is on the up-grade now and will continue steadily so. Western Grocers, Limited, is making its plans to profit from that expected development. Our policy is to expand and increase our operations and business wherever satisfactory opportunity offers. We are and shall continue to be one of the large wholesale grocery institutions of Canada always, with an aggressive business-building policy. But it is thoroughly realized in the trade that both the retail and wholesale grocery business at some points is overdone and that readjustments must be made. At Regina we have sold. At other points, when opportunity offers, we expect to purchase."

DULUTH SUPERIOR'S EARNINGS ARE BETTER

Second Quarter For Year Shows Much Better Condition All Round

Duluth Superior for the first six months of 1925 has made an excellent showing, particularly in the second quarter. Both gross and net are higher, but the six month increase in the latter indicates that there has been a considerable paring of overhead. Gross for the six month period totalled $962,526 as compared with $893,941, or 7.67 per cent., while net at $198,780 as compared with $153,-828 was about 30 per cent. higher. Operating expenses to handle the increased volume of business were less than 47 up. Fixed charges and taxes are about the same leaving the six month net income at $51,112 or 586 per cent. over $7,449, the 1924 total. The figures:

Second Quarter

	1925	1924
Gross revenue	$449,331	$422,499
Op. expenses	366,296	352,476
Net revenue	83,935	70.022
Fixed chgs. and taxes	72,337	72,546
Net income	10,647	x2,524

Six Months

	1925	1924
Gross revenue	$962,526	$893,941
Op. expenses	763,745	740,112
Net revenue	198,780	153.828
Fixed chgs. and taxes	147,667	146,379
Net income	51,112	7,449

xDeficit.

EARLY BUYERS OF CANNERS DID WELL

Those Who Bought at 30 Will Get Yield of Over 30 Per Cent.

The great bulk of the common stock of Dominion Canners was taken off the market at well below par, having been purchased on the open market from around 30 upwards. Holders of these shares stand to get an excellent return on their money, as indications are that the Canadian Canners' securities which were exchanged for the common stock and a proportion of the preferred, will give a return of about 9.08 per cent. on $100 par starting next year. On stock purchased at 30 the yield will be over 30 per cent. In the past common shareholders have not received dividends. It is expected that Canadian Canners preferred will pay 4 per cent. next year and along with the interest on the bonds which common share holders will receive, the return will be $9.08 from the exchange certificates of the common shares. There is also an arrears of dividends on the Canadian Canners preferred of about 15 per cent.

MUST OPERATE YEAR ON PRESENT FARES

Twin City Cannot Expect Court Decision on Valuation Until June Next

A six months' test of the new fares on Minneapolis and St. Paul is being made and in the meantime Twin City collects an 8c. fare or sells 10 tickets for 60c. The master in chancery will make the valuation.

The car company claimed its property was being confiscated. Federal Judge John B. Sanborn ordered proceedings on valuation to begin as soon as possible with the understanding that the valuation would be the basis for a permanent rate to be established by the court. The master's findings will not be considered by the court before next June.

According to the car company, the experimental fare schedule is affording it no relief. The cities of St. Paul and Minneapolis opposed immediate valuation proceedings, claiming they would interfere with the six months' test.

The state commission argued the proceedings would cause heavy expense and delay, while time and money are needed in bus proceedings. The commission can modify its order from the present test.

The Stock Market Record

WEEK ENDING AUGUST 18

	Div. Rate	Yield Aug. 15	High for wk.	Low for wk.	Close Aug. 18	Close Aug. 11	Sales	Range 1925 High	Low
Banks—									
Commerce	12	5.82	208	205	206	208	112	210	194¾
Dominion	12+1	6.37	204	203⅞	204	204	35	205½	189
Can. Nationale	10	6.62	151	151	151	150½	25	151	148
Imperial	12	6.06	198½	197	198⅛	196⅝	63	200	184
Montreal	12	4.83	248¼	246	248	245	256	250	240½
Nova Scotia	16	5.76	279	276⅞	279	275	99	279	262
Royal	12	5.15	235½	233	234½	236	178	237½	227½
Standard	12	6.70	179½	179½	179½	179	6	179½	170
Toronto	12	5.85	207½	205	205	207	145	221	192¾
Union	8	6.95	116	115	115	116	19	117½	105
Abitibi, com.	4	6.06	67	65½	65½	66	312	75	62
Do. pref.	7	6.54	107	107	107	104¼	5	108	101
Brompton Pulp	.	....	24	21	23½	21	920	33¼	18½
Laurentide	6	7.40	81½	81	81½	81½	1731	87⅞	75
Price Bros.	2	3.70	55⅞	54	54	55	3452	55⅞	35⅜
Prov. Paper, com	6	6.12	..	..	..	..	..	111¼	88¾
Do. pref.	7	7.07	..	..	..	..	..	102	95
Belgo, com.	6	7.40	81	80	81	81	112	87	80¼
Do. pref.	7	7.33	96	95½	95⅞	95½	87	97¼	95½
Smith, Howard, com.	.	....	45¼	39	43½	39¼	1110	45¼	21¼
Do. pref.	8	7.92	102	98	102	100	398	106	69½
Spanish River, com.	7	6.66	106	102½	106	103¾	2035	111¾	87
Do. pref.	7	6.14	114¾	113	114⅝	113	1190	127	112½
St. Maurice Paper	6	7.31	82	82	82	83	50	86	81¾
Wayagamack	.	....	48	48	48	47	25	52	34½
Steel and Steel Industries—									
B.E. Steel, com.	.	....	3	2	2	3	565	3¼	1½
Do. 1st pref.	.	....	30½	28	28	30½	150	34	22
Do. 2nd pref.	.	....	9½	8	8	10	596	11¾	6¾
Can. Car & Found., com	.	....	38	36	38	38	50	57⅞	36
Do. pref.	7	8.86	79	78	78¼	78	181	90¼	78
Can. Foundries, com.	.	....	..	..	..	..	..	35	20
Do. pref.	.	....	40	40	40	40	15	50	40
Can. Locomotive, com.	.	....	..	..	..	..	..	71⅞	64
Do. pref.	7	9.21	..	..	..	..	..	90	76
Dominion Coal	.	....	..	..	..	..	..	..	..
Dominion Iron, pref.	.	....	20	20	20	20	20	28	20
Dominion Radiator, pref.	7	7.01	..	..	..	..	..	102½	99¾
Dominion Bridge	4	4.12	98	96	96¾	98	1685	99½	77½
Dom. Steel Corp., pref.	.	....	..	..	..	..	..	32	24½
N.S. Steel, pref.	.	....	25	25	25	24	10	32	24
Ontario Steel, com.	4	6.89	57	57	57	58	5	61	43
Do. pref.	7	7.07	..	..	..	..	..	100	91½
Twin City, com.	4	6.58	61¾	60	60	61¾	754	70	58
Do. pref.	7	7.21	..	..	..	..	..	97	94½
Winnipeg Elec., com.	1	....	51	50¼	50½	51	2646	53⅞	35¼
Do. pref.	7	7.29	97	96½	96	96	50	98	88
Textiles—									
Can. Conn. Cotton, pref.	1	....	44¾	44¾	44¾	44¾	10	50	39
Can. Converters	7	8.14	86	85¾	86	86	110	90	80
Can. Cottons, com.	8	6.73	..	..	..	..	..	120	107½
Do. pref.	6	6.31	..	..	..	..	..	95⅛	90
Can. Woollens, com.	.	....	..	..	..	..	..	14½	5
Do. pref.	.	....	..	..	..	..	..	58	40
Dom. Textile, com.	5	5.81	86	85½	85	85	1395	87	66
Do. pref.	7	6.03	..	..	..	..	..	117	111
Monarch Knitting, com.	.	....	..	..	..	..	..	45	30
Do. pref.	.	....	..	..	..	..	..	80	45
Montreal Cotton, com.	6	5.82	103	103	103	103	90	103	95
Do. pref.	7	6.25	112	112	112	102	6	114½	109
Penmans, com.	8	5.06	158	158	158	159¾	85	166	158
Do. pref.	6	5.94	101	101	101	101	10	101	99
Wabasso Cotton	4.00	6.45	..	..	..	..	..	62	55½
General Industrials—									
Amer. Salesbook, com.	4.00	8.51	48	47	47	48	251	50½	38
Do. pref.	7	7.65	92	91½	91½	92	55	94	88
Asbestos, com.	1	....	72¼	70	70	70	1450	83¾	35
Do. pref.	6	6.12	101¾	98½	98½	100	795	117	73½
Atlantic Sugar, com.	.	....	33	31⅛	32⅝	32¼	2010	34½	13
Do. pref.	.	....	78¼	77⅞	78¼	78	105	93¼	77
Bird & Son, pref.	7	8.40	83¼	83¼	83¼	83¼	7	83¾	81
B.C. Fishing	.	....	45¼	43½	44	43¾	1240	50	19
Burt, F. N., com.	10	4.03	63	59	60¼	63	1995	63	40
Do. pref.	7	3.50	..	..	..	..	..	213	142½
Brantford Cordage, pref.	.	....	26	25¾	26	25¾	194	26½	26
Canada Cement, com.	6	5.49	109¼	108	109	108½	944	117	90½
Do. pref.	7	5.95	117½	116	117	116¼	191	117½	107
Do. pref.	7	8.23	..	..	..	..	..	90	85
Can. Gen. Electric, pref.	7	6.60	54	53	53½	54	77	55⅛	53
Can. Indust. Alcohol	1.28	9.01	15	14	14½	15	1779	20½	14
Canadian Salt	8	5.88	136	136	136	136	5	136	112
Christie Bis., com.	.	....	58½	58½	58½	60	100	60½	31½
Do. pref.	7	5.93	..	..	..	..	..	118	104¼
City Dairy, com.	12	3.44	87¾	86⅛	87	87⅞	426	90½	65
Do. pref.	7	6.48	108	107½	108	108	10	110	104½
Crows Nest Coal	3	6.52	..	..	..	..	..	49½	35
Cuban Can. Sugar, com.	.	....	..	..	..	..	..	10	5
Do. pref.	.	....	32½	32½	32½	32¾	25	44½	31
Wm. Davies	.	....	27	26¾	27	26½	92	32	24
Dom. Canners, com.	.	....	110	108	109⅞	111	412	114¾	97
Do. pref.	7	6.36	..	..	..	..	..	113	56½
Dom. Glass, com.	7	6.34	111	107	111	107	1000	116⅞	107
Do. pref.	7	5.88	119	119	119	113	25	119	110½
Dominion Stores, com.	1.00	....	52	52	52	52	113	55⅝	24
Do. pref.	8	7.76	103	101½	103	104½	11	104½	97
Steel of Canada, com.	7	7.88	89¾	86¾	89¾	87⅛	2786	89¾	75¼
Do. pref.	7	6.26	111¾	110½	89¾	110⅞	75	112½	105
Milling—									
Canada Bread, com.	4	6.45	62	53½	58¾	53½	3452	130	39½
Do. pref.	7	6.78	103¼	103	103¼	103	4	107½	100
Do. B. pref.	.	....	93⅞	91⅞	92	92½	513	93⅞	85¾
Inter. Milling, pref.	7	7.10	98⅝	98⅝	98⅝	98½	35	102	97
Lake of Woods, com.	12	6.59	184	182	182	180	127	188	176
Do. pref.	7	5.60	125	125	125	125	5	125½	121
Maple Leaf, com.	.	....	88	88	88	90	10	100	80
Do. pref.	7	7.03	100	99	100	98	71	101	80
Ogilvie Flour, com.	3¼	....	171	163	171	162	751	171	135
Do. pref.	7	5.55	..	..	..	..	..	127	121½
Shredded Wheat, com.	10	6.75	..	..	..	..	..	155	155
St. Law. Flour, com.	4	....	..	..	..	..	..	65	20¼
Do. pref.	7	8.75	..	..	..	..	..	80	75¼
West. Can. Flour	8	7.40	..	..	..	..	..	112½	105
Utilities—									
Bell Telephone	8	5.71	140	139	140	139	748	140	133
Consumers Gas	10	5.81	172⅝	172	172	172	114	173	164
Laurentide Power	5	4.71	..	..	..	..	..	106	93¾
Kaministiquia	8	6.89	..	..	..	..	..	125	100
Mackay, com.	7	5.34	135	131	132½	132	409	135	114½
Do. pref.	4	5.75	69½	69	69	69¼	286	69½	67
Mexican Light, com.	.	....	..	..	..	..	..	26⅛	22
Do. pref.	.	....	..	..	..	..	..	62⅛	57
Mont. L. H. & Pr. Cons.	8	3.86	208	202	207⅝	202¾	11702	208	152
Montreal Telegraph	8	6.83	47	47	47	46½	10	50	42
Ottawa L. H. & Pr.	6	6.12	99	98	98	96	150	105	95
Do. pref.	6½	5.96	109	109	109	103½	1	109	101
Quebec Power, com.	5	4.34	116	115	115	113	305	116	85
Do. pref.	7	6.36	110½	110	110¼	109½	118	110½	103½
Shawinigan	7	4.21	168	163	168	164	3249	168	130½
South. Can. Power, com.	1.00	....	78½	75	78½	75	35	84	67
Transportation—									
Can. Pacific Rly.	10	6.84	146	142	145⅝	142	196	152¼	37
Can. Steamships, com.	.	....	11	10	11	11	141	13¾	10
Do. pref.	.	....	45	43	44	44	1046	50	42
Tractions—									
Barcelona	.	....	20	19½	19½	20	510	24⅛	18¼
Brazilian	4	6.55	62⅜	60	62⅜	60⅛	26480	62⅜	49¼
Detroit Un. Rly.	.	....	1	1	1	1	80	29	1
Duluth-Superior	.	....	33½	33	33½	33½	216	42	33
Illinois Traction, pref.	6	6.31	..	..	..	..	..	95½	90½
Montreal Trams	10	5.40	187	179	185	178¾	931	187	166
Ottawa Traction	4+1	8.19	61	61	61	61	15	65¼	61
Porto Rico Rlys, com.	.	....	46	45¼	46	45¾	72	46⅝	35½
Do. pref.	7	8.04	87	87	87	86½	16	91¼	84
Quebec Rly.	.	....	..	..	..	..	..	24½	20
Dodge Bros., com.	.	....	..	..	..	..	..	30⅜	22
Do. pref.	7	8.53	82¼	81	82¼	80½	13	84⅛	80⅛
Eastern Theatres, com.	.	....	..	..	..	..	..	15	14
Do. pref.	7	9.58	..	..	..	..	..	76	70
Ford Motor	10	....	..	..	..	..	..	512	500
Gilman, com.	.	....	101	101	101	100	10	110	100
Do. pref.	7	6.36	111½	111	111	100	95	111½	100
Goodyear Tire, pref.	7	7.60	92½	92	92	91¾	128	100½	90
Frontenac Breweries	.	....	120	120	120	60	4669	120	54
Do. pref.	7	5.83	120	120	120	100	990	120	100
Holt, Renfrew, pref.	7	9.09	..	..	..	..	..	82	65
King Ed. Hotel	.	....	..	..	..	..	..	..	..
Lyall Construction	.	....	22	20	21	17	370	29	11
National Brew., com.	.	....	54	48¼	52	48⅛	17054	68	41¼
Do. pref.	7	7.00	..	..	..	..	..	106½	98
National Brick, com.	.	....	15½	15	15	16	50	18	15
Do. pref.	7	9.33	75	75	.75	75	25	79½	70
Pacific Burt, com.	6	6.41	..	..	..	..	..	96	91½
Do. pref.	7	6.93	101	101	101	100½	6	107	101
Port Hope Sanitary, com	.	....	75	73⅛	75	70	119	75	53
Do. pref.	7	7.58	..	..	..	..	..	92⅛	88⅛
Pure Gold Mfg.	50c	....	27	23¼	26⅝	23½	1107	27	23¼
Rogers, Wm. A. com.	.	....	55	53	53	55	46	65	53
Do. pref.	7	7.86	89	89	89	88¼	10	95	88
Russell Motor, com.	.	....	..	..	..	..	..	35	24
Do. pref.	7	8.64	81	81	81	81	1	86	74½
Sawyer-Massey, pref.	.	....	..	..	..	..	..	15	5
Sherwin-Williams, com.	6	4.80	125	125	125	125	25	130	115
Do. pref.	7	6.45	108½	108½	108½	108¼	10	108½	104¾
Sterling Coal	4	9.93	40	39¾	40	39½	10	53	39¾
Tooke Bros., com.	.	....	..	..	..	..	..	8	8
Do. pref.	.	....	62	62	62	62	55	62⅛	37
Tuckett Tobacco, com.	4	6.34	63	63	63	63	50	70	59
Do. pref.	7	7.07	100	99	100	99½	4	102¾	96¼
Woods Mfg., com.	.	....	32¼	32	32	32	65	33	20
Do. pref.	7	10.00	70	69	69	70	12	75	64⅞
Western Grocers	.	....	7½	7½	7½	7	10	11¾	4½
Trust and Loan—									
Canada Land	10	5.26	94	94	94	95	25	97	80
Can. Permanent	12	5.94	202	201⅞	202	202	22	209	190
Colonial Invest.	6	....	4⅝	4⅝	4⅝	4⅝	38	4⅝	4
Hamilton Prov.	10	6.45	..	..	..	..	..	156	154
Huron & Erie	7	5.46	130	130	130	128	1	130	125
Landed Banking	9	6.33	..	..	..	..	..	142	142
Montreal Loan	12+1	6.76	..	..	..	..	..	48	45
National Trust	12	5.42	..	..	..	..	..	223	210
Ontario Loan	11	5.55	..	..	..	..	..	100	99
Real Estate Loan	7	8.04	..	..	..	..	..	88½	87
Toronto Gen. Trusts	12	5.66	..	..	..	..	..	212	208
Toronto Mortgage	10+1	5.94	..	..	..	..	..	92	87¾
Union Trust	7	8.23	..	..	..	..	..	85⅛	85⅛

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Capacity 2-TONS

CHASSIS $2860 plus freight, tax paid

This model will be on display at the Reo Exhibit, Canadian National Exhibition

REO MOTOR CAR COMPANY OF CANADA, LIMITED, Windsor, Ontario

Old Riordon Mill Will Increase Its Output

From Our Own Correspondent.

MONTREAL.—To meet the growing demand, International Paper Company will expand the capacity of its Kipawa bleached sulphite mill to about 250 tons daily, at a cost of between $1,500,000 and $2,000,000. Present facilities permit daily production of about 170 tons.

Bleached sulphite is used in making writing paper, is one of the compounds of book paper, the chief compound of tissue paper, and the raw material out of which most artificial silk is made. The Kipawa mill, which originally cost $17,000,000, is one of the most modern in Canada, and was one of two acquired by International Paper when it took over properties of the defunct Riordon Company last spring. Operations have been conducted profitably since its acquisition, as is also the case with the Hawkesbury mill of slightly smaller capacity.

The bulk of the output of Kipawa mill is shipped to the U. S. for use by manufacturers of paper and artificial silk. For some years it has made a specialized product which has been in increased demand from makers of artificial silk in the United States, Europe, and elsewhere in the world.

New Frontenac Board to be Announced Soon

From Our Own Correspondent.

MONTREAL. — It is thought that within the next week or two that the new board of Frontenac Breweries will be announced. It is expected that Donat Raymond will take the presidency and that the personnel of the board will largely be made up by French Canadians as was the case during the Beaubien regime.

Many have said that the National Breweries were behind the deal which lead to the purchase of stock by Donat Raymond, but it is understood that this is not the case, and the Frontenac will be a separate company and in no way connected with any of the other brewers.

In the past, the gossip is that the Molson interests and the Beaubien interests were always extremely antagonistic; this being the case, it seems probable that an attitude of this sort would have been no help in smoothing over various discussions which would, from time to time, arise between the two brewing companies—hence for the future it appears that the three companies, Molson's, National Breweries and Frontenac will work more in harmony than has been the case in the past.

MINING STOCK QUOTATIONS

WEEK ENDING AUGUST 18

	Par Value	Div. Rate	Yield	High for wk.	Low for wk.	Close Aug. 18	Close Aug. 11	Sales for wk.	Range 1925 High	Low
Apex	1	..	..	..	...	..	..	....	4	2
Algonquin	1	..	..	..	..	..	..	....	3	1
Argonaut	1	.	..	26½	24	25¾	24	58700	48	22½
Atlas	1	..	..	2¼	2¼	2¼	2⅛	1000	5	2¼
Baldwin	1	..	..	2½	2	2½	2	44000	7	2
Barry Hollinger	1	..	..	43	39	39	43	3000	50	39
Beaver	1	..	..	32½	30¼	32½	31	37800	37	25½
Bidgood	1	..	..	5¼	4⅞	5	5¼	5000	16¼	4⅞
Boston Creek	1	..	..	..	..	..	..	....	7	4½
Buckingham	1	..	..	2⅜	2½	2⅜	2¼	8600	5⅞	2¼
Can. Lorrain	1	..	..	39	34	38	35	21650	50	23
Capitol	1	..	..	34	30	31½	29	117650	37½	24
Castle Tre.	1	..	..	94½	92½	94½	91½	21250	95½	71
Clifton	1	..	..	4½	4¼	4½	4¼	29000	25¾	4¼
Coniagas	5	5	14.2	1.75	1.75	1.75	1.75	100	2.30	1.45
Coniaur'm	..	..	..	1.65	1.65	1.65	1.60	37	2.45	1.00
Col. Kirkland	1	..	..	3⅝	2½	3⅝	3¾	55000	10½	2
Cons. Smelters	25	6	1.2	1.24	112	121	112½	23994	1.24	48
Cons. W. Dome	1	..	..	14	13	13¾	14	37400	22	11
Crown Reserve	1	..	..	16½	15¾	16½	15¾	22600	54½	15¼
Davidson C.	1	..	..	3½	3½	3½	3½	2500	5	2
Dome Mines	.	2	12.50	14.60	14.15	14.15	14.15	1640	16.50	12.90
Everett	1	..	..	6	4½	6	4¾	82500	10	4½
Goldale	1	..	..	16¼	15	15½	15¼	33800	22½	14¾
Gold Reef	1	..	..	1¼	1¼	1¼	1¼	2500	1	1
Hattie	1	..	..	1	⅜	1	1	9100	2¾	½
Hattie pref.	1	..	..	4½	3¾	4½	4½	21000	67	4⅜
Hillcrest, pref	1	..	..	..	..	..	..	....	80½	78¼
Hollinger	5	20.80	7.01	14.95	14.79	14.85	14.85	1888	15.65	13.35
Hunton	1	..	..	5	4½	4¾	5	6000	8½	4½
Indian	1	..	..	5	4	5	4¾	7500	17	4
Inspiration	1	..	..	..	..	..	..	....	10	7
Int. Nickel, com.	.	..	..	33¼	31¼	33¼	31½	485	83¼	24¾
Keeley	1	24	12.7	1.82	1.77	1.79	1.78	6570	2.32	1.75
Keora	1	..	..	14½	13¾	14½	13¾	62800	19½	9
Kirk Lake	1	..	..	44¾	41½	44¾	42½	35300	50	35
Lakeside	1	..	..	3	2¾	3	2⅞	6500	15¾	2¾
Lake Shore	1	20+5	3.7	6.50	6.30	6.30	6.35	2725	6.54	4.51
La Rose	1	..	..	43	41¼	41¾	44	10000	55	7½
Lorrain	1	..	..	9⅝	8½	9	9¼	133800	24	8½
Lorrain T. L.	1	20	20	98	95	95	95	200	1.34	90
McKinley	..	..	..	24½	22	23	25	43600	44½	15¾
McIntyre	20	20	5.21	19.40	19.10	19.25	19.15	3498	19.99	16.00
Mining Corp.	5	10	18.6	2.59	2.56	2.56	2.56	1485	3.16	2.35
Moneta	1	..	..	14¾	14½	14¾	14¾	1500	18¼	13
Newray	1	..	..	22¾	22½	22½	22½	3300	28½	17
Nipissing	5	12+6	18.3	4.90	4.85	4.85	4.90	2085	6.80	4.65
Night Hawk	1	..	..	..	..	..	..	....	49½	23
Ophir	1	..	..	3⅞	3½	3½	4	23500	7⅞	3
Peterson Lake	1	..	..	5⅞	5⅞	5⅞	6⅛	1500	12	5¾
Porc. Crown	1	..	..	..	..	..	..	....	8	3½
Premier Gold	1	32	15.6	2.08	2.00	2.08	2.05	10950	2.58	2.00
Preston	1	..	..	7⅞	7¾	7¾	7⅞	16600	12	6¾
Teck Hughes	1	..	..	1.69½	1.65	1.68	1.68	23705	1.80	1.23
Thomp. Krist	1	..	..	..	..	..	..	....	3	1
Timiskaming	1	..	..	..	..	..	..	....	30	15
Tough Oakes	5	..	..	33	31¼	..	35	12150	45	20
Trethewey	1	..	..	..	..	..	..	....	22	16¼
Vickers	1	..	..	..	..	..	..	....	25½	3
Victory Silver	1	..	..	9	6	9	6	4000	31	5½
Vipond Cons.	1	..	..	1.22	1.20	1.21	1.20	12355	1.42	1.01
Wakenda	1	..	..	..	..	..	..	....	3½	1½
Wasapika	1	..	..	1	1	1	1½	2000	3⅜	1
West Tree	1	..	.	2¼	2	2	2¼	11500	5	2
Wettlaufer	1	..	..	4⅛	4	4	4⅛	11000	16	3¾
Wright-Har.	1	20	3.8	5.15	5.10	5.15	5.05	2010	5.25	4.15
Oil Companies										
B.A. Oil	25	2+2	6.69	38½	38	38	38½	825	41¼	36½
Imperial Oil	25	25c	8.3	31	30	30	30½	2098	34¾	27½
Inter. Pet.	5	25c	.90	23⅜	22¾	22¾	31½	285	28	22¾
Cont. Oil	.	25c	1.00	23½	22¾	23	23⅜	311	29	22½
North Star pref	5	7	8.7	..	..	..	..	....	4.25	3.90

Contract For St. John Docks Is First For Building Ships

The Saint John Dry Dock and Shipbuilding Co., Ltd., has secured its first vessel building contract. Many steamers and other craft have been repaired, but now the plant will construct a steel ferry for the D. A. R. to run between Wolfville, Kingsport and Parrsboro. It will be 123 feet long, with accommodation for six to ten motor cars. The vessel will be a motor-ship and will be completed by Nov. 15. The staff hope to make such a success of this first building contract that others will follow and the plant be kept busy. The only other construction works on a large scale in hand in the city at present are the vocational high school and the packing and cold storage plant

Public Utility Earnings

SOUTHERN CANADA POWER COMPANY

	July 1925	July 1924	Incr.
Gross Earnings	98,083	83,879	14,204
Oper. Exp.	35,088	40,197	x-5,109
Net Earnings	62,995	43,682	19,313
	10 months 1925	10 months 1924	Incr.
Gross earn.	962,676	868,431	94,245
Oper. exp.	418,701	393,238	25,463
Net Earn.	543,975	475,193	68,782

xDecrease.

JAMAICA PUBLIC SERVICE CO., LTD.,
Month of June

	1925	1924
Gross earnings	$50,981	$46,240
Net Earnings	17,928	14,457
Surplus after Charges	11,106	8,029
12 Months Ending June 30	1925	1924
Gross Earnings	$597,257	$560,502
Net Earnings	202,314	176,901
Surplus after Charges	121,623	99.245

The above figures converted from £ Sterling at the rate of $4.86 2/3 to the £1.

DULUTH-SUPERIOR TRACTION CO.
Second Quarter, 1925

	1925	1924	Per Cent. Inc. or Dec.
Gross revenues	$449,331.95	$422,499.40	+6.35
Oper. expenses	366,296.61	352,476.91	+3.92
Net revenue	83,035.34	70,022.49	+18.59
Fixed charges and taxes	72,387.52	72,546.77	—.22
Net income	10,647.82	2,524.28	....
	Year to Date 1925	Six Months 1924	Per Cent. Inc. or Dec.
Gross	$962,526.14	$893.941.59	+7.67
Exp.	763,745.27	740,112.89	+3.19
Net	198,780.87	153,828.80	+29.22
Charges	147,667.93	146,379.68	+.88
Net income	51,112.94	7,449.12	+586.12

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Denatured Alcohol (All Formulaé)
Canadian Industrial Alcohol Co., Limited
MONTREAL
TRADE MARK
Distributing Warehouses:
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GRAND'MERE -:- QUEBEC

The Wabasso Cotton
Company, Limited
THREE RIVERS, P. Q.
Manufacturers of Fine White Cotton, also Spinner's Fine Counts of Yarns

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LIMITED
Lantic Sugar
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Refineries - St. John, N.B.

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Brompton Earns as Much As Last Year

Striking Forest Assets Will Assure Growth of Company—Position of American Mills Discussed

From Our Own Correspondent.

MONTREAL.—The stock of the Brompton Pulp and Paper Company has shown anything but strength during the last month or two; as a natural consequence, some investors have been feeling nervous and have wondered what is the matter with the company. The answer is that there is nothing the matter with Brompton. During the first six months of the present year the company's earnings have been at the same level as in 1924—this, despite the lower prices which were obtained for a large portion of the output.

Indications point to an improvement in the earnings for the last half of the year, and as far as the shareholder who is in Brompton for the "long pull" is concerned, he should be well satisfied with the results in 1925.

No Early Dividends

The shareholders in the company are naturally not looking for dividends—this is not where the strength of Brompton lies. What a holder in Brompton counts on is that earnings during the past three years have averaged $1,500,000 whereas bond interest has only amounted to $285,512, which means that with these low fixed charges the company is in a sound position to weather storms, should they arise. Now as to the future. An examination of the company's forest assets shows a position of extraordinary strength. In fact, the figures are striking and must eventually bring the investor, who is willing to wait, his reward.

The company has some 7,000,000 cords of pulpwood on its timberlands. Of this, there is used in each year's operations but 175,000 cords; this means that allowing only for the natural regrowth of the forests, Brompton will have a supply of raw material in perpetuity.

Assets Held at Low Figure

The largest item in the company's timber and land assets is the 175,000 acres on the St. Maurice Valley. This is valued by the company at $8 per acre and could be sold as farming land (after being cleared) at anything from $8 to $12 per acre to-day. On this property the company has 1,500,000 cords of wood, valued at $4 a cord. This is a conservative figure, as the wood can be sold at any time in the United States at not less that $5 a cord. All this indicates conservative bookkeeping; furthermore all the other forest assets are carried on the books at equally conservative figures. Incidentally, the company places no value whatever on timber in its forest land other than pulpwood, but all these properties contain hardwoods and the other coniferous trees not used in the making of pulp which have a very definite value. Because of the company's position on the St. Francis River, too, it is able to obtain practically all the wood available from settlers and farmers in the district.

In Strongest Position

There is no doubt that the company has wonderful assets in its forest resources, which it carries at a low valuation on its books and which, if required, could be turned into liquid assets at almost any time. This can augur nothing but bright hopes for the future.

The plants themselves are in the best condition. Now, Brompton has the plants, it has power, and it has the best forest reserves. The investor says this is all very well, but why is the stock so low—something must be the matter with a company which has all this, and yet its stock is so weak. This is true enough, but due to several factors the company has had difficulties with its production—difficulties of markets and difficulties of prices. In fact, the company's two American mills have really been undergoing a transition period.

The Claremont Mill

The Claremont mill, due to the southern movement of the sulphate industry, was placed under an economic handicap and has had to go into the manufacture of various paper specialties. Last year was the first year in this business, and while the total orders reached a fairly high level, yet they did not come in evenly, with the result that the mill closed down several times during the year—this, of course, increased the operating expenses considerably. For the future, the company now knows this market, and is in a position to handle the trade more economically, which, in turn, should result in an increase in profits from this branch of the company's activities.

The Groveton Mill

The Claremont mill has overcome its difficulties, but, unfortunately, the Groveton mill is in the same transition period now, as was the Claremont mill a year and a half ago. At Groveton was made the cheap wrapping paper; improved processes in manufacturing have made possible the use of the timber in the southern forests of the United States, consequently producers are springing up almost daily in the southern states—the new and more economic home of the United States sulphate manufacturers—the consequence has been that Groveton also found this competition too keen and the plant is gradually being changed over to the production of high-grade sulphite paper and envelope manillas. These will in due time yield a better return.

The company has two Canadian mills; one at East Angus and the other at Bromptonville. The former produces newsprint, box board and kraft paper, whilst the Bromptonville mill produces only groundwood which is shipped to the States. Some of the sulphite from the Groveton mill comes over the border and is used in the production at the East Angus plant.

Assets Bound to Appreciate

From this it appears certain that Brompton has a future. Its greatest assets—the timber limits—are constantly appreciating in value. The rapid depletion of the forests in the States has forced companies in that country out of business and more will continue to drop out due to this cause—indeed, the day cannot be far off when there will be a rapid rise in the price, not only of pulpwood, but of all forest products. In the meantime, investors should not magnify the reasons which underlie the low market price of the stock—the reason it sells low, is not because of any inherent weakness in the company, but merely because the dividend payments seem a long way off. They probably are a long way off, but in the meantime Brompton will continue to earn its bond interest and a good deal more which will constantly better the financial position of the company. Just as soon as the company adjusts itself to certain changes which have come over the industry, it will be able to repay those investors who have had faith during the present hard times which almost all sections of the industry with the exception of newsprint, have been undergoing.

It can be judged from the foregoing that the Canadian of Brompton's business has in reality been carrying the American mills. Indications point to the fact that these two United States mills will more and more stand on their own feet, which all points the way to ultimately increased earnings.

Laurentide and Spanish Statements Out Soon

From Our Own Correspondent.

MONTREAL.—The annual statements of both the Spanish River Pulp and Paper Mills and the Laurentide Company will make their appearance shortly. It is understood that the showing made will be found to be highly satisfactory. It has long been felt that the considerable increase in the productive capacity planned or underway in the newsprint industry, and the increase to date this year, might have had some effect on earnings of the various companies, but it seems that lower prices during the year have not affected these two large factors in the newsprint industry in Canada.

It is generally recognized that all the newsprint companies for last year have been bending every effort to the inauguration of operating economies; a considerable success in this direction has been reported. In fact the showings estimated for Spanish River and Laurentide, if fulfilled in the forthcoming annual statements, will show surprising results in the way of economy. This being the case, everything points to the fact that these companies and others, which are similarly situated, are in a position to meet the $5.00 price cut when it becomes effective in January, and also if necessary, they can curtail their output and at the same time continue to enhance the shareholders equity.

It is felt here that Spanish River will probably show $1,100,000 surplus after dividends for the fiscal year, while it is said that Laurentide will show earnings nearly equal to 8 per cent. on its capital stock. If this is correct it will come as a pleasant surprise and compare well with the showing of 7.24 per cent. in 1923-24 and 6.91 per cent. in the year preceding that.

Provincial Paper Mills Obtain More Business

MONTREAL.—The Provincial Paper Mills have experienced better business conditions during the present year. The company manufactures high grade paper and up to the end of July the gross sales have shown a decided increase, also net profits on operation have been larger. The increase in net profits is due partly to the larger turnover and partly to the higher average prices which have been realized this year. There has, of course, been no change in the price during the last few months. The company has unfilled orders on its books at the moment which are larger than at any time this year; indications point to the fact that net profits for the full year will be better than in 1924. The company has four plants, all situated in Ontario; these have been operating practically at capacity since January 1. There appears to be no immediate prospect of an increased disbursement to the shareholders.

Artificial Silk Plant Completed; Produces Soon

From Our Own Correspondent.

MONTREAL. — According to reports, the new artificial silk plant of Courtaulds, Limited, at Cornwall, Ontario, is now completed and it is expected that operations will begin shortly. The new industry will employ about 500 people and it is estimated that the first unit of the plant will have an average production of 25,000 pounds weekly or 1,000,000 pounds annually. This is of great significance in Canada's business progress as it marks the inauguration of the rayon manufacture in Canada.

The strides made by this new textile industry have been remarkable, but the sensational developments lie in the future. One of the leaders in the sulphite pulp industry in the United States told The Financial Post that, by the end of this year, the rayon business will absorb about 5 per cent. of the total world production of sulphite pulp.

If this new industry —which is yet in its infancy—can absorb now approximately 5 per cent. of the total sulphite production, it is reasonable to suppose that in the future the sulphite manufacturers of Canada can expect to sell in this market an ever increasing proportion of their output.

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WHAT ASBESTOS DIRECTORS TOLD SHAREHOLDERS

Second Circular Letter Reviews Dominant Position in Industry

From Our Own Correspondent.

MONTREAL.—The directors of the Asbestos Corporation last week forwarded a second circular letter to their shareholders and, as indicated in the last issue of The Financial Post, the circular made the point that the net profits for this year will show an increase of at least 40 per cent. over the preceding year and that full dividends can again be distributed. Also that the outlook for 1926 is as good, if not better, than the outlook for 1925.

The directors point out to the shareholders that certain statements which have been published tend to underestimate the dominant position of the Asbestos Corporation in the industry and also to exaggerate the benefits which would accrue to the shareholders through a merger. In other words, the directors know the value of the company and its future possibilities better than any one else, and they will consider no merger until such times as an offer is made which will insure that the shareholders will fare as well in the new consolidation as they would have if they had remained out of any amalgamation.

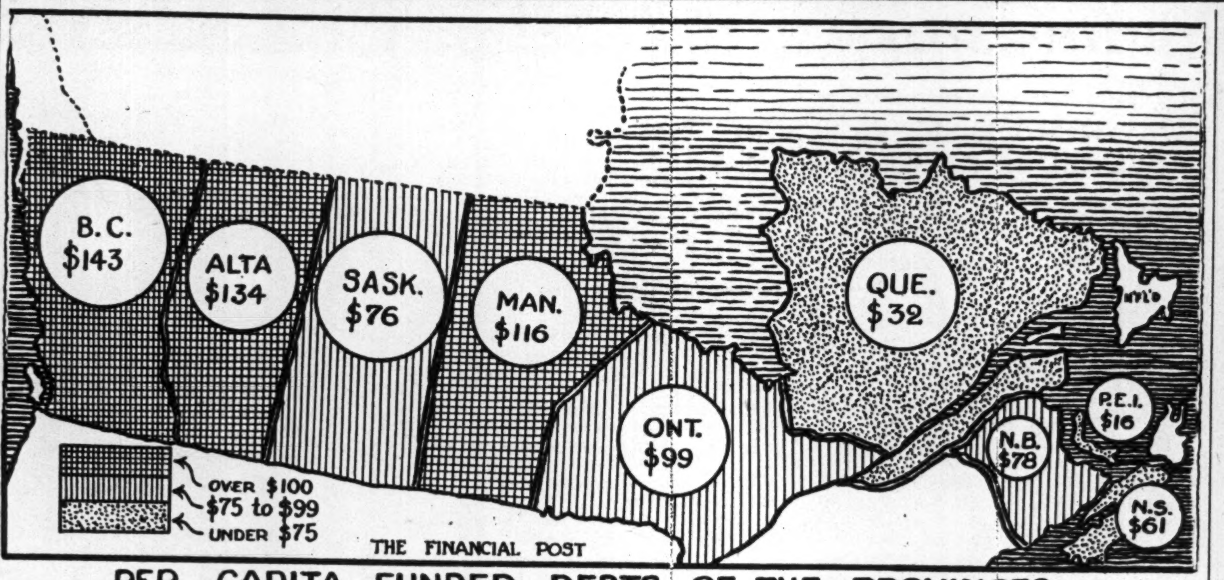
Changes in Agreement

What will be news to most of the shareholders though, is the fact that important and disconcerting changes, not only in acquisition of some of the companies, but in the suggested agreement with the large manufacturing companies as to production and sales, were presented to the Asbestos Corporation directors, and the directors understand that one of the largest manufacturing companies has declined to enter into the agreement, which, it was understood, they had already accepted. This agreement simply limits the manufacturing concerns in their production; their surplus production was to be turned over to the new amalgamation. It can easily be understood that in a merger such as this, it is essential for all the producers to get together or else not get together at all.

Supplies Thirty Per Cent. Requirements

The Asbestos Corporation supplies over 30 per cent. of the world's requirements of asbestos and it is the only company in Canada that is making any returns to its shareholders. Despite lower prices during the year it seems that the increase in profits available for shareholders will be at least 40 per cent. above last year and that full dividends can be distributed with ample allowance being made for depreciation and depletion.

As pointed out in last week's Financial Post it is likely that the increased return to the shareholders may be made by an increase in the next two dividends this year, and possibly a bonus around Christmas time.



PER CAPITA FUNDED DEBTS OF THE PROVINCES

Are Municipal Debts Becoming a Menace?

A Return to Prewar Prices Would Almost Double Outstanding Debts With Damaging Effect on Bond Prices

ARE the municipalities of the Dominion mortgaging the future in excessive borrowing? Is the present rate of municipal expenditure beyond that warranted by the growth of our population? Are our municipalities still expanding beyond their present ability to finance, and asking future generations to pay? If this is the case, and not a few of the more conservative think that it is, then what is the outlook for municipal securities, especially if there should be a material decline in prices?

All will recall that there was a time in the annals of Canadian municipal development when unwarranted expansion led to a sad reckoning. There was a large number of defaults, and some of our municipalities are not yet on a sound basis. During the period when nearly a half million new citizens were coming to our shores annually, and when the birth rate was higher than it is to-day, there seemed to be ample ground for unbounded optimism. It was then that our legislators conceived the idea of a great new artery of commerce, from coast to coast, opening up a new and vast territory of fertile land—a new transcontinental railway. But to-day the citizens of Canada are paying one hundred million dollars annually for this dream.

While Canada's promise for sound and substantial development was never brighter than it is to-day, conditions have changed basically since before the war, and this fact must be taken into account. The population of the country is increasing only very slowly. When there is a rapid increase in a country's population and wealth, the increase in debt will take care of itself. Prospects are excellent for a resumption of the flow of immigration into this country, but until this is more than a prospect, we must consider the increase as it is to-day.

What Is the Outlook?

To-day, the aggregate debt of the Canadian municipalities is accumulating rapidly. Last year the total of bonds outstanding was $883,000,000. This year it is $943,000,000, an increase of about 7 per cent. The vital question is whether or not our present rate of population increase justifies an annual increase of 7 per cent. in the aggregate of municipal borrowings, in addition to increasing provincial and federal indebtedness.

During a period when prices are on the upswing, increasing debt, municipal or national, usually takes care of itself. Should we, however, enter upon a long period of declining prices, every dollar's worth of debt may become two dollars in purchasing power. A municipality with a debt of $50,000,000 may find the burden equivalent to $100,000,000. Were all the municipalities of the country providing adequate sinking funds to take care of debt maturities, there would be no problem. Until this is the case there is the danger, ever-present, that we are over-expanding. It is the duty of all those who have a hand in the administration of public funds to see to it that a repetition of the crop of municipal defaults which once hung as a pall over the credit standing of our municipalities, shall be impossible.

Shall B.C. Cut Timber at Virtual Loss or Hold Resources for Future?

From Our Own Correspondent.

VICTORIA.—An economic problem of surpassing importance confronts the lumber industry of British Columbia to-day

The province finds itself one of the largest remaining sources of timber in the world. Other regions of the continent, which in their turn supplied the lumber needs of the country, have successively passed into oblivion, and to-day the lumber buyers of the world are turning their attention more and more to the Pacific Northwest.

With this situation becoming steadily more apparent as the years pass by, is it good business for the present heavy production of lumber to continue in British Columbia—with prices only barely enough to yield a profit?

Will B. C. Use Master Key?

There is the problem, and just at present a steadily increasing number of influential people both within and outside the industry are recognizing its growing importance. The unpleasant part of it is that the presentent business competition in this highly developed industry, and the fast pace set by the logging camps and sawmills of the adjoining states of Washington and Oregon, are not likely to afford the industry much opportunity of choosing between the wise and the foolish course, whichever they may be. The lumber industry of the Pacific coast has never been distinguished for far-sighted policies, principally because of that element of competition which has kept the operators too busy thinking of the present without worrying about the future.

It is a fact that during the past two years, notwithstanding the fact that British Columbia really holds the master key to the timber situation, because of the gradual exhaustion of other forests, lumber has been sold in increasing quantities at prices that have barely paid the costs of manufacturing.

Just how serious this phase of the situation is regarded by those in a position to judge its portent may be gathered from the following paragraph in a report just issued by the provincial government, which in the past has not ventured to express an official opinion on this particular subject:

"The fact that 2,500,000,000 feet B. M. of our stumpage was manufactured and put on the market at a price that returned little more than the cost of manufacturing and marketing is a question that concerns not only the industry itself, but all users of lumber products. When one stops to consider that stumpage of the quality now being cut cannot be produced under any system of forestry except at costs so high as to be prohibitive, and that the quantity of such stumpage is limited, the question assumes an importance that deserves the most careful consideration."

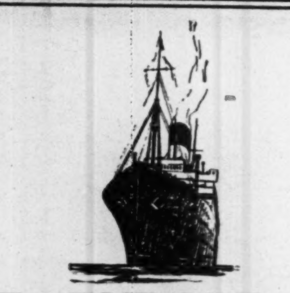
During the past year production has been maintained at a high level, but not a few authorities hold to the view that it would have been showing more business wisdom had the output been less; for whatever else might distinguish the twelvemonth just past in the lumber industry here, no one need fear starting a controversy by stating that the province has just passed through an era of almost ruinous prices.

For more than a year the logging camps have continued to send out big timbers and the mills have gone on manufacturing lumber, but there has been very little incentive for such industry. Several mills could not see justification for selling lumber at less than cost and voluntarily closed down. During the early part of the spring, with the mills dubious about market conditions and hesitant about buying, logs began to accumulate in all the important booming grounds to such an extent that it seemed as though the teredo would get as much as the mills. Things became serious and finally the logging camps got together and adopted a programme of universal curtailment of production. This would have saved the day had it been made effective. What actually happened was that only a few of the camps abided by the arrangement. Several camps were forced out of business altogether; those that continued to operate lost money, and the size of the log booms was not materially reduced. But the hot, dry summer followed and the rapid rise of the fire hazard forced the suspension of activities in the wood throughout the province.

No Danger of Depletion

Indications are now for a firmer market, and unless this actually materializes the industry will be faced by an acute state of affairs indeed. The question whether manufacturing should continue at prices that barely yield a profit keeps steadily to the fore.

Forest experts contend that there is no danger of timber depletion in British Columbia; they say that the great softwood stands will last for a century. But even if natural reforestation does insure a perpetual supply, the dollar and cents consideration is not affected. Production of lumber is becoming more expensive each year as the source of supply recedes back from the points of manufacture and shipment. Would it not return better dividends in the long run if the timbermen were to sit on the fence for a while in an attitude similar to the British masters of the rubber trade and, instead of forcing the market now, let the world pay the right price when it really wants it?



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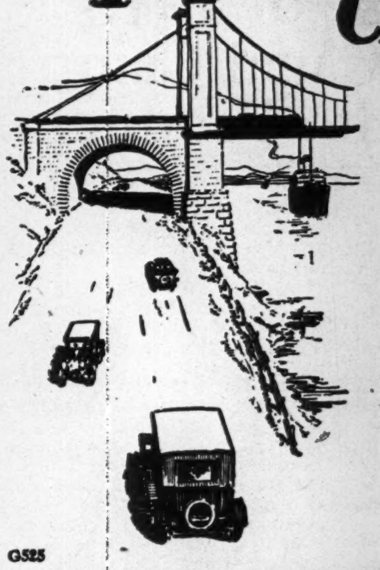

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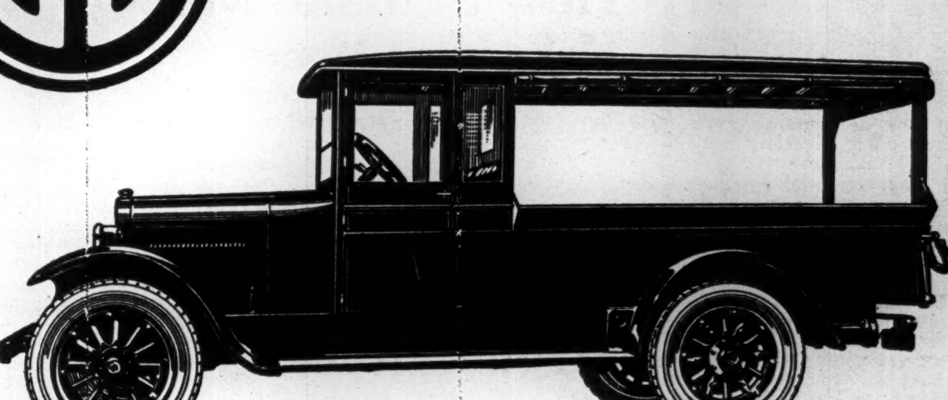

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News of the Mines for the Investor

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

After Collapse of 1913 Portland Canal Camp Came Into Production

By W. HULL, Editor, Portland Canal News.

Although Portland Canal District in Northern British Columbia has been hailed as the "newest field for prospectors, operators and investors," it is by no means a newly discovered mineralogical belt. For more than twenty years its potentialities have been known. In 1909 a boom started here. Dozens of companies were organized, millions of shares were sold in mining companies. The town of Stewart, at the head of Portland Canal, grew like a mushroom overnight, from nothing into a miniature city, with waterworks, electric lights, sewerage system, and all the conveniences of modern civilization.

Then, in about 1913, came the collapse. Wise geologists and mining engineers reported to their principals in financial circles that while the district was heavily mineralized, the ores were a low-grade, complex composition that made their treatment physically impossible and their commercial value nil. The mining companies had been mining the public and not the ground. No effort was apparently made to work out the system of vein formations and ore depositions.

The big change came when the Premier mine, after many outfits had tried and failed to find commercial ore in quantity, suddenly blossomed out into the "wonder mine" of the continent. The success of this property brought new blood into the camp. Brains were introduced in place of speculation. Hardly a working property to-day but can show native silver and the high-grade sulphides—argentite, stephanite, ruby silver, etc. In addition it has been found that in most instances, where silver is found, gold is found.

Forget the Past

In discussing the present status of the district, the past may well be forgotten, for the past introduces only a period of stagnation which had to be overcome, and which only a few of the early locators weathered.

The present discloses this as a district with a percentage of high-grade ores hardly equalled, perhaps, in th world, and a volume of concentrating ores that will keep many a mill grinding when humans now buoyant with life and ambition shall have crossed the great divide.

The Premier mine, in fifteen quarterly dividends, has paid $7,500,000 to its shareholders. Its capitalization is $5,000,000. It has meanwhile "paid for itself," has put in modern equipment, including the longest operating tram in the world, (11½ miles) and has provided its employes with every convenience that the city could offer.

Credit must be given the Premier for being the great stimulant of the district. Engineers from all parts of the world are continuously on the ground looking for other Premiers.

Companies have been and are being formed to mine the ground instead of the public. Power is being burned, and that the mineral showings will stand power is proven by the fact that in only two instances have results not proved up to expectations. On these two properties large bodies of milling ore have been opened up without sufficient high-grade to warrant them as being classed as other than milling properties.

Most of those, however, who know they are away to the good, have not yet begun shipping; they are still developing. The main reason for piling up shipping ore instead of sending it out is the lack of economical transportation. When it costs $50 a ton to send ore out on pack horses, big money may be saved by waiting until wagon roads are built and tram lines installed. All this takes time, and the camp, from a development point of view, is still in its infancy.

Hard to Ship

An exception is the Porter Idaho, which last year sent 147.5 tons of ore a distance of six miles to the beach at a cost of $50 per ton and netted $21,472 from smelter returns. This company is this year piling up the same character of ore on the beach, awaiting the construction of wharfage facilities which will this year be put in by the federal government, and the end of the year will show a much greater tonnage shipped than in 1924. Last year this property produced, in addition to the ore shipped, about 2,000 tons of milling ore, averaging $40 per ton, which is still at the mine.

Driblets of ore are coming from some other properties, generally more in the nature of smelter tests than for the value of the mineral content. The Indian mine recently sent out 40 tons of $90 ore, and the B.C. Silver shipped 52 tons that goes about $120. Victoria has sent out seven tons, L. & L. Glacier two, Spider two, Terminus five, of ore that ranges from $200 to $300 per ton. These are all company operations. These shipments are but an indication of what is to follow when, as mentioned above, better transportation facilities are available.

At present there are 45 companies in active operation in the district and about 15 which are in the organization or re-organization stage. In addition to these, probably a dozen private operators are doing more than the annual assessments required by law. The hills resound with the echoes from blasts on scores of properties on which prospectors and owners are trying to show up something worthy of turning over to larger operators.

New Discoveries Frequent

New discoveries are being made on all sides. The east shore of Portland Canal and the section just over the small glacier at the head of Bear River are just now receiving the greatest attention, and some fine specimens from new finds are being daily brought in, ranging from free gold to zinc.

The three pressing requirements of this district are mills, roads and tramlines. Development, although but in its infancy, is already ahead of equipment. The district is vast in area, extending for a known distance of 75 miles in length and 25 in width. Portland Canal, navigable for any ship in the world, penetrates one-third of the distance into this mineral belt. The problem is to get the ores down to the canal. After that the ocean-going vessels will transport them to their destination, whether it be Selby, California, where the Porter Idaho shipped its ore, or to Swansea, where some of the smaller shipments have been sent. The old country smelters have a representative here who is buying up all the ore he can secure and paying a large percentage of the value on local assayers' valuations. This is a big help to the small operators.

But the fact is worth reiteration, that what is needed here is mills—facilities for shipping out the values in concentrated form.

The Operators

Without going to the government offices in Victoria for information the list of companies in active operation in this district is as follows: Georgia River, Gloria, Marmot Metals, Sterling Silver, Porter Idaho, Silver Slipper, Silverado, Glacier Creek, Dunwell, Victoria, L. & L., Emperor, Silver Ledge, Lake View, Sunshine, Stewart, Central, Union, Ore Mountain, Barite, Argenta, Rufus, Terminus, Independence, Bayview, Dalhousie, Riverside, Mountain View, Premier, B.C. Silver, National Silver, Portland Canal Goldfields, Gold Cliff Premier, Silver Crest, White Heather, B.C. Bonanza, Silver Tip, Forty Nine, Northland, Indian, Premier Extension, Outland Silver Bar, Eldorado, Texas Creek, Comstock, Extenuate and Chief Metals.

This list is given only from memory, but is practically complete, although it is possible that one or two more may have started without the writer's knowledge.

Mine Wins in Dispute Over Assessment Act

An important decision in regards mine taxation has been given at Timmins. Hollinger Mines appealed against an assessment on tailings launder. Back in 1920 Tisdale Tp. tried to assess mills but the finding was that the mines were concentrators in the meaning of the Mining Act. This decision in favor of the mines was the point on which Hollinger appealed against the recent assessment. It was held that the tailings launder operation was a necessary part of milling and this contention was upheld by the court.

ANOTHER 1,000-FT. IS ASSURED IN KIRKLAND

Exploration Work Cuts Vein 1,000-ft. Below Present Main Working Zone

Kirkland Lake Gold has cut an ore body on the 2,000-ft. level. Great importance is attached to this. It is an evidence that values continue to great depth, and means that the leading producers have at least another 1,000 feet to work on.

The vein was encountered at a depth of 1,975 feet, which is four hundred feet beyond diamond drilling operations on Teck-Hughes, and 800 feet beyond lateral development work on the same property.

President F. L. Culver is forwarding the following official statement to the shareholders:

"Since our letter under date of August 5th advising you of work being done at the Kirkland Lake Mine we are now pleased to report that in the crosscut being driven to the south on the 1,975-foot level about 127 feet from the shaft a vein was encountered five feet wide.

"This is most gratifying. You will have noted from past reports that we have splendid ore on the 1,100-ft. level. However, it was deemed advisable to continue shaft sinking and no lateral work was done until the 1,600-ft. level was reached. On this level a crosscut was driven to the south and at 90 feet from the shaft an ore body was encountered. Again shaft sinking was continued until the present level was reached (1,975 ft.) and finding the ore body at this depth establishes the fact that we have an immense reserve ahead of us between the 1,000 ft. level and the 1,975 ft. level for development and production.

"For the proper development of the mine a large amount of money was necessary and your confidence in the management enabled them to make a contract with the Anglo-French Exploration Company, Limited, of London, England, and associates, whereby this amount of money was forthcoming, and it looks now as if this property would soon be a producer in a large way and return to you ample reward for your continued confidence in your directors."

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TECK-HUGHES

Milling additions now nearing completion at the Teck-Hughes gold mine, are of such extent as to indicate that this company will move up to a position in the lead of Keeley, and may also exceed the rate of profits obtaining at the Nipissing. It is one of the ironies of fate that the directors of Nipissing only a few years ago held an option on Teck-Hughes at a reasonable price, but refused to exercise the option on the strength of the belief that the enterprise would not pay.

THE AUDITOR'S CERTIFICATE

In regard the mining broker's certificate which read "that stocks were available in the ordinary course of business," this is said to mean during business hours. This is said to be the auditor's version. He found all marginal accounts of the broker secure.

KEORA MILL READY

During the week, Keora's Mill on Calcite Lake property, Gowganda, was turned over. It will soon be operating steadily.

SILVER AND OTHER METALS

August	17	18	19	20
Silver—				
London D.	32¼	—	32¼	32½
New York	70⅛	70¾	70½	70⅞
Copper	14¾	14¾	14¾	14⅞
Lead	9.12	9.12	9.40	9.40
Zinc	7.62	7.62	7.60	7.60

Special Mining Reports
WE HAVE prepared, and will mail without charge, detailed reports on any Northern Ontario mining companies in which you may be interested.
Homer L. Gibson AND COMPANY
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Extensive Ore Bodies In Boischatel Tp., Que.

Chance syndicate, composed of Montreal and Toronto business men, are said to be doing well in Boischatel Township, Que., where they have 1,000 acres. They are reported to have opened up large bodies of sulphides, chiefly pyrrhotite, pyrite, chalcopyrite, sphalerite, galena, etc. These are very extensive, being about 75 ft. to 100 ft. wide, and from 150 ft. to 1,000 ft. long, and which are probably the largest deposits of their kind so far discovered in north-western Quebec.

These deposits are about ready for systematic sampling, as there has been 1,920 days' work done outside of the actual requirements demanded by the Department of Mines. Some sampling has already been done merely to ascertain the nature of the deposits, and this has disclosed the fact that zinc sulphide is present throughout the deposits, sometimes massive, and at other times associated with chalcopyrite, pyrrhotite, pyrite, etc., and in one or two instances, where least expected, associated with magnetite. Gold and silver is also present.

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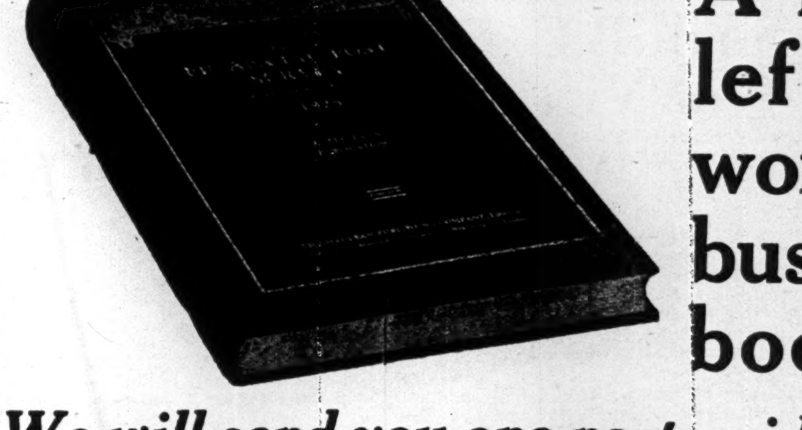

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Current Events in Banking World

PRODUCER GETS 17 CENTS OF $1 BUYER SPENDS

But There is a Real Explanation of This Fact

A WRITER who has just toured South America relates that South Americans decidedly object to the habit of referring to the United States as "America." They say: "We are as much Americans as you are"—which, of course, is true.

I wish there were a way to write America to include Canada. I do not like the long form "America and Canada;" but I wish to emphasize the fact that in writing of American economics—or the want thereof—I write equally of Canada. Canadians speak our language—or we speak theirs—and they are essentially the same people as ourselves. The South Americans' point is well taken, and it properly applies as fully to Canada as to South America.

My story this week has to do with extravagance, real or alleged. It reverts to my recent radio talk on which I have this comment:

"The 83 cents spread in this country you justify because of the extravagant needs of the people. That is the thing that makes economic adjustments necessary every few years; and when those panics sweep over the country, as they must, your friend the grocer who operates under the credit system receives punishment in full measure. Meantime the German and the Jap are sitting pretty because they have not piled the entire burden onto the producer."

While the deal has not yet been completed, it is understood that the proposal is for the amalgamation of the Frothingham Workman, and Starke Seybold, both of whom have been in the wholesale hardware business in Montreal for many years, the former for upwards of one hundred years, and the latter for upwards of fifty years, the Starke Seybold Co. being a merger of the Starke Co. and Seybold & Sons, which took place about 1907. It is understood that the executive offices of the new company will be in the present Frothingham Workman, Ltd., building where all shelf goods will be kept, while the building previously occupied by Starke Seybold, Ltd., will be used as a warehouse for heavy hardware and steel, etc. In all probability the officials of the new company will be Col. Robert Starke, president, and Geo. Davis and Gordon Seybold as vice-presidents.

Let Us Not Mix Issues

It is a characteristic of folks who have hobbies that they work them pretty hard. My friend's special hobby is the idea that we are headed toward the demnition bow-wows via the road of extravagance. But my radio talk had to do with certain facts of modern life, among them the service rendered by food distributors of all kinds. Any argument must have a background of facts. I found mine in conditions among various peoples. So let us examine a bit further.

The total spread between the producer and consumer of all raw materials is approximately thus:

For America, 83 per cent.; Britain 65 per cent.; France, 57 per cent.; Germany, 27 per cent.; and so on down to Japan, where it is 14 per cent. This means that the producer of raw materials receives 17 cents of the consumer's dollar in America, 35 cents in Britain, 43 cents in France, 73 cents in Germany and 86 cents in Japan. These are the facts. I stated them. I did not enter on any question of justification. That would have been to embark on an altogether different—not to say endless—argument.

But let us note certain related facts. First, I talk of all commodities. I include wool, cotton, mahogany, iron ore—all in the raw state and at point of origin. Consider the wool and cotton that enter into your suit of clothes. Together they total perhaps four pounds; value, at point of production, perhaps $1. But in the raw they are entirely, utterly, hopelessly useless to you who want a suit of clothes.

What of mahogany in the original log in Honduras? Surely it is of no value to you who want an upholstered mahogany chair. Estimate the intrinsic value of the actual wood that goes into the chair and you will find that the cost of the finished product would be but slightly affected if the mahogany were free.

Think of the value of the raw iron ore against the cost to you of a gas stove. It is nothing. But there is considerable cost put into the appliances, the skilled labor and transportation, plus having an assortment of gas stoves connected up in a neat row, convenient for you to select what you like, having your choice delivered and set up, ready to use in your kitchen.

How Could it be Done for Less?

A good way to study these things is to take a chart which shows the course of raw materials through all the various processes, handlings and movements from beginning until finished product is ready for your use and see whether you can find a single item in the process of conversion, manufacture and distribution that could be avoided or cheapened. Many such charts—deeply informative and fascinatingly interesting—were published in Part Four of the Report of the Joint Commission of Agricultural Inquiry. That document is available to all, practically without cost—except the effort to read and digest it.

The truth is that the figures I give reflect almost exactly the standard of living in the countries indicated: highest in America; progressively lower elsewhere down to Japan at the bottom among civilized peoples. It will not do to jump at the conclusion that we Americans are wrong, self-pampering, extravagant and the Japanese safe, sane and sound.

Let us remember that the average Japanese family lives in a bamboo shell of a house with partitions about as substantial as a Japanese screen; that there are no chairs—the Japanese squat on the floor. There are no beds. The Japs sleep on mats with blocks of wood for pillows. They live fundamentally on rice with some sea food and plenty of tea. These foods are virtually unconverted, uncombined, unmanufactured, unprocessed, and are cooked in primitive fashion.

Now look around the typical American or Canadian home. You will find its furnishings, equipment and supplies are drawn from every country, every clime, every source of production from pole to pole, gathered from the entire circumference of the equator. No people in history have lived on the scale habitual to us of this Western Hemisphere. Besides our daily environment, the emperors of ancient Rome, the kings of the "magnificent" era in France, the powerful of earth in bygone days lived in hopeless squalor and discomfort, without conveniences or a measureable approach to sanitation.

HENRY JOHNSON, Jr.,
Writer on merchandising topics, and a regular contributor of Canadian Grocer, sister publication of The Financial Post, who is the author of the article herewith, which was written for Canadian Grocer.

Even as contrasted with other contemporary people, we live in the best homes in the world. Conveniences that are commonplace to us are undreamed of in most countries. We are the best fed, best clothed people in the world. And it is all worth its cost—and more.

For we live longer than any people either contemporary or historical. That we manifest poor judgment at times, that individually we are reckless, heedless, careless is no indictment of our scale of living. That is simply the persistence of imperfection in humanity.

But, aside from the question of what service we require and how economically it is rendered, there is another factor to consider—a factor seldom correctly evaluated except by learned men, yet one that should be plain to any thinking and reflecting man. That is the factor of the constant cheapening of money.

We find that we pay more money for certain things than we paid for similar things a few years ago. But every one of us gets more money for a given effort than we did years ago. There never was a time when effort was as well rewarded as to-day.

Money is Never Consumed

And is this not a logical process? Certainly. Because money is the commodity that is constantly produced but not consumed. The world has been piling up wealth in the form of the medium of exchange from the beginning of history. Naturally, money declines in value as compared with commodities which are used up.

Because you paid a man $30 a month to clerk in a grocery store fifteen hours daily in 1880—he was a man of family and was glad to get the job—you cannot say he was a cheaper man than the one to whom you now pay $30 a week for nine hours. In 1880 you had vastly less things to sell and you sold them for less. Thirty dollars then cost more in commodities than $125 costs now.

Progress Inevitable—and Economic

The other day the British parliament debated the question of abolishing the duty on artificial silk. Why? Because it is now a necessity to all the people. It is needed by the poor as well as the rich. "As long as women wear stockings," said one debater, "artificial silk will be a necessity."

Is that an indication of extravagance? No: It manifests a general elevation of the plane of life among the British people. This process is inevitable if the world is to continue going forward—and surely, on reflection, we shall see there is no other direction in which to go! Therefore, progress is economic.

I confess with perfect frankness that I am an optimist. I cannot see that the world is losing out physically, mentally, materially or morally. Things are not perfect, but we tend towards perfection.

Staff Gossip

C. C. Case, formerly manager of the Imperial Bank at Kamloops, has been appointed manager of the Daysland, Alta., branch.

* * *

James E. Marshall, son of Wm. Marshall, of Trafalgar, joined the staff of the Milton branch of the Bank of Toronto a few days ago.

* * *

H. D. B. Clarke, of the Kamsack staff of the Bank of Commerce left on Tuesday for Buchanan having been transferred to that branch of the bank.

* * *

Allan Watson, who has been accountant at the Bank of Montreal at Kamsack, Sask., for some time, left for Frobisher, to which point he has been transferred.

* * *

A change took place in the Imperial Bank at Essex, K. F. White, accountant, being transferred to the Niagara Falls Bridge St. branch, while F. E. Harrison, of the Niagara Falls South branch comes to Essex.

* * *

A conference of branch managers of the Canadian Bank of Commerce was held at Vernon, B. C., a few days ago by Mayne D. Hamilton, Vancouver, superintendent of branches for British Columbia. Managers from Kamloops, Penticton, Keremeos, Kelowna, Salmon Arm, Armstrong and Vernon were in attendance. That business throughout the interior is showing considerable improvement, is stated to have been the tenor of reports presented by the various managers.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES

	Aug. 14, 1924	Week Ending Aug. 13, 1925
Halifax	$2,597,525	$2,872,878
St. John	2,645,343	2,569,587
Moncton	660,925	750,133
Sherbrooke	715,697	2,005,280
Quebec	5,022,033	5,268,007
Montreal	105,081,666	87,218,892
Ottawa	5,793,482	5,248,688
Kingston	704,762	663,413
Peterboro'	710,411	685,481
Toronto	91,442,118	82,359,168
Hamilton	4,634,449	4,522,900
Brantford	719,582	918,589
London	2,436,487	2,282,715
Kitchener	916,073	873,147
Windsor	3,333,044	4,218,631
Total	$227,413,497	$201,557,509

WESTERN CITIES

	Aug. 14, 1924	Week Ending Aug. 13, 1925
Fort William	$814,676	$730,326
Winnipeg	39,470,715	49,680,475
Brandon	472,599	673,964
Regina	2,474,107	3,753,640
Saskatoon	1,335,384	1,855,874
Moose Jaw	883,184	1,087,585
Prince Albert	259,861	283,520
Lethbridge	469,673	556,596
Calgary	4,287,301	6,471,014
Edmonton	3,622,582	4,215,001
New Westminster	607,045	663,240
Vancouver	14,850,145	15,191,468
Victoria	1,959,287	2,488,636
Medicine Hat	265,369	249,277
Total	$71,773,512	$87,900,615

West Says Dunning Will One Day be Premier of Canada

By Staff Editor.

EDMONTON.—There is intense interest throughout the West in the political developments at Ottawa. The prairie provinces want a stronger say in national affairs, and while the advantages of a better understanding between East and West—and between the East and the farther East and the West and the farther West—are appreciated, the desire for stronger political representation is evidently a reflection of the opinion that by such means more practical results are likely to be secured.

Underlying the interest in whether or not Premier Dunning, of Saskatchewan enters the King cabinet is something deeper, something which goes into the future beyond the forthcoming election; in a word it is the hope, which with the politically-wise goes almost so far as a prediction, that Charlie Dunning will one day be premier of Canada. That is the way the Western mind consciously (and unconsciously) is working. Arthur Meighen is a Westerner—or was elected from the West—but he is hardly the Western ideal for the premiership. Robert Forke is not regarded as a probability for that high office and there seems little doubt that the winning over of the Progressives, which Premier King evidently hopes for in his overtures to the Saskatchewan premier, would more reasonably become a reality if the latter were at the head of the Liberal party and not merely a prospective minister of finance—for that is the post for which he is said to be slated should he become a candidate and should the government be sustained.

Looking over the available material from which future premiers can be made lends strength to rather than weakens the Western ambition. In Saskatchewan they will tell you with enthusiasm that "we have the best provincial premier in Canada," and, while there are the Bracken followers in Manitoba and the strong supporters of Greenfield in Alberta, there is a pretty general agreement that the Saskatchewan people have at least a reasonable justification for their opinion.

Charlie Dunning has a record which makes the Western hope or ambition something much more definite than a wild dream. Coming to Western Canada when very young he not only made a success as a farmer but, when still a little more than a youth, that executive and business ability for which the Grain Growers organizations were looking won recognition. For years he was the head of the Saskatchewan Co-operative Elevator Company, one of the largest grain businesses in the world, and he had some real problems to solve then as he has since in the provincial government. He has won a reputation for clear headedness that is much wider than his own province as indicated by the persistent efforts of Premier King to get him to go to Ottawa. But this can be definitely said that if Dunning makes his move now he will have something bigger in view than a prospective finance ministership. He is credited with higher ambitions and if his past tells anything he is not likely to be satisfied with anything short of the top rung of the ladder.

Exchange

NEW YORK EXCHANGE

	High	Low	Last Year High	Last Year Low
Aug. 13	x3-64	3-64	+3-16	5-32
Aug. 14	x3-64	3-64	+3-16	⅛
Aug. 15	x3-64	3-64	+3-32	1-16
Aug. 17	x3-64	3-64	+⅛	3-32
Aug. 18	x1-16	5-64	+1-16	1-32
Aug. 19	x1-16	1-16	+1-16	1-32

xDiscount. +Premium

STERLING, FRANCS AND LIRE

	Demand Sterling	Demand Francs	Demand Lire
Aug. 13	4.85 7-16	4.66½	3.61
Aug. 14	4.85½	4.66½	3.61¼
Aug. 15	4.85 9-16	4.66¾	3.61½
Aug. 17	4.85 7-16	4.63½	3.58½
Aug. 18	4.85 7-16	4.68¼	3.60¾
Aug. 19	4.85⅜	4.69½	3.61½

BEAR RIVER PASSES OUT

MONTREAL.—Announcement was made this week that the Bear River Pulp Company passed into the hands of the Eastern Trust Company, which was appointed receiver by the supreme court. Less than two years ago, the company went into the hands of receivers and sold at auction. It was the largest single industry in Annapolis County, N. S., and has only been operating intermittently during the past two years.

SAVES SAINT JOHN MUCH

The removal of the discrimination in marine insurance against the port of Saint John will mean a saving of $1,000 to $2,500 on each trip of a tramp steamer, and will attract more of them to this port for grain in winter. Quite a number of them took cargoes there last winter despite the higher insurance rate.

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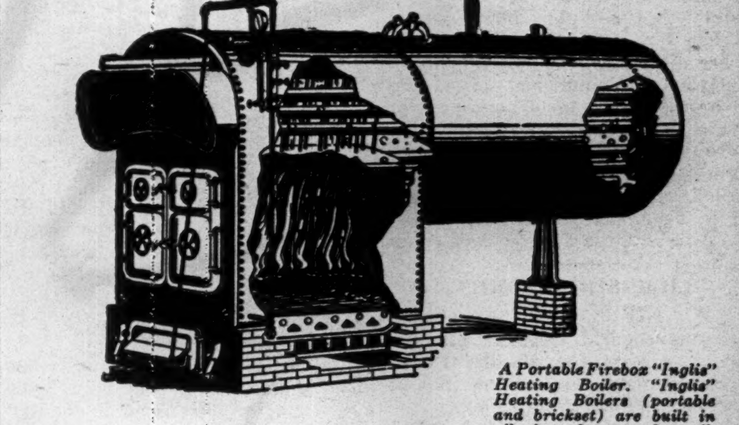

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, AUGUST 21, 1925

SIR ADAM PASSES

WITH the passing of Sir Adam Beck, Ontario's colossal public ownership experiment in the field of water power development enters a new stage. Beck was as dynamic as the creation of his years of work. He was an enthusiast with the power to enthuse. He commanded the public will as no other man in Canada has ever done. He rode the crest of the electrical wave that covered the continent in the past two decades and directed the method of development in Ontario by the exercise of a political mastery that a forceful personality and an unfailing confidence in his mission gave to him. Most men in his position would have drawn many times the criticism Beck drew; would have drawn endless charges of dishonesty and corruption. Criticisms of Beck were usually criticisms that centred around the great essential difference between public and private ownership; criticisms that naturally followed his unwillingness to submit to the control or advice of any one—even the public.

Beck is dead; the Hydro goes on, but without a single powerful chieftain. Its most serious problems are not behind but ahead, and Beck left no successor ready for his work. It will be no small task to find a man big enough to run the Hydro.

Beck died at the height of the public ownership movement that swept him into the position of power and mastery that no other man in Canada has held. Already his supporters are discussing the splitting up of the Hydro into municipal units. This will mean a division of sentiment on private and public ownership. The Hydro will likely disintegrate as a single institution into a number of smaller corporations, some publicly, and in time, many privately owned, but all linked in a super-power chain.

LICENSE SALESMEN

IN WINNIPEG they are pushing the movement to secure a standard Blue Sky Law for all the Prairie provinces. One would think that after its rather unfavorable experience with such legislation that there would be a tendency to discard such measures. Manitoba had a fairly good law as such laws go but it was possible to evade it as the Hearst Music fiasco showed. Then again there is the fact that the province is unable to control stock offerings of Dominion companies, which pulls the teeth of any provincial measure for control of security sales. The provinces, however, have the right to say who shall sell securities within their borders and this is the suggestion that The Financial Post has frequently advanced as the best method of control for wildcat operators. Control of the men who do the selling by making them individually responsible for their offerings and representations, seems more desirable than that a government institution should give its approval to an issue and then allow salesmen to run wild with this government stamp of approval as a lever to sell the unwary. A crooked salesman can make misrepresentations and commit fraud even on a government approved issue.

STANDARDIZATION LOWERS PRICES

WHILE there is much talk about the standardization of hosiery colors, of shoe lasts, hardware and other lines, in few cases does the movement seem to be taking such a firm hold as among the automobile manufacturers. Faddish and frequent changes in style design have gone by the boards and the industry seems to have settled down quite rapidly to a series of well built cars to be changed only when some real mechanical improvement makes a change advisable. One of the immediate results of this movement has been a general lowering of prices. Standardization is said to have made this possible and in turn it might perhaps be said that competition has forced standardization. Already this year some 20 car manufacturers have announced cuts in prices for their 1926 cars and it is expected that others will follow. These cuts run all the way from $100 to $800.

Rather an interesting outcome of this trend to standardization is that it has forced the only really standardized car on the market to mildly revolutionize its style. At least its new model is expected to show numerous important changes, including a wide range of body colors.

A LOSING VENTURE

THE following is taken verbatim from a Toronto daily paper:

"City Auditor Scott, reporting on the abattoir accounts for last year, said the operation and trading profits amounted to $30,000 gross, which was not sufficient to meet overhead expenses, consequently there was a deficit of $21,996 for the year. Mr. Scott added that the loss on the operation of the abattoir from the time of its establishment to-date was $495,180, which included capital charges, taxes and depreciation.

"Controller Gibbons took exception to the report, and contended it was unfair. Why, he asked, should they charge depreciation when they are improving the place all the time? The plant was valued in the assets at $245,000, the actual cost, he said, and then declared it was worth $600,000. It was decided to have a conference with Manager Corneil at an early date, with the object of endeavoring to devise some means of making the establishbment self-sustaining."

What valuation would a business man put upon an enterprise losing $21,996 yearly on a gross revenue of $30,000. Would he say it was worth $600,000?

A BUSINESS GOVERNOR

THE names of several junior royalties, generals and admirals have been suggested in England as successors to Lord Byng in the governor-generalship of Canada. Fancy rather than suitably has apparently inspired these nominations. General Byng has been an unusual success, because he is a man of unusual ability and understanding. He is something of a constructive statesman as well as a resourceful and efficient soldier. The knowledge he has gained of Canadian and American Life, opinions and aspirations, in his experience here, will make a man of his type a very great factor in Imperial affairs. If he will, on his return to the Mother Country, devote his life to Imperial development he can build up a record greater than his very brilliant military career.

Britain's and Canada's hope lies in the consolidating and perfecting of the Empire through preferences to complete free trade. That is a statesman's job, and especially the job of a resourceful man who has made his own way, preferably in the broad business world. Men whose way has been made for them by their fathers or families or who stepped into perfected military or naval organizations are seldom successes in business building.

The establishment of the empire on a solid foundation has not progressed despite the incapacity, inexperience and ignorance of business conditions within the empire on the part of Imperial statesmen. Colonial governors should be selected from the successes among the younger business statesmen, who would be a trade, not a social, political or milittary link, with the heart of the empire both during and after their term of governorship.

Royalties have their place—and a very important one—in our scheme of government. The king is the centre of the empire—the keystone that will hold us together. It is to depose him that our enemies are working strenuously in England for a revolution and the break-up of the empire.

Our generals and admirals have an equally important place. We will need them all, for it is only by the sword we have held and will hold our trade and our empire.

It is important to get this thought out in Ottawa, where the chief function of the governor-general is believed by society there to be social leadership.

EDITORIAL NOTES

MIDSUMMER clearance sales did not clear out surplus politicians.

* * *

IT WILL soon be time for another wave of sympathy for bank bandits.

* * *

WHEN China starts to eat wheat bread, Canadian farmers will double Victoria's winter population.

* * *

PORT CREDIT harbor in Ontario is getting another dredging, again spoiling a perfectly good bathing beach.

* * *

PREMIER KING wants a representative of the labor unions on the C.N.R. board. Time could better be given to a scheme to tear up a few hundred miles of duplicating rails.

* * *

TORONTO papers announce another big deficit in the operation of the municipal abattoir at the same time the purchase by the Toronto street railway commission of a $100,000 fleet of sight-seeing buses is recorded. Experience means nothing to Toronto's city council.

Graustein Talks on Newsprint

President of the International Paper Company Discusses With The Financial Post the Newsprint Industry in Canada and the United States—A Picture of the Man at Work.

By RIELLE THOMSON,
Eastern Editor, The Financial Post.

NOT an engineer, not a so-called business man, but a barrister heads the greatest paper-producing corporation in the world. A. R. Graustein is president of the International Paper Company, which each day sends over 1,000 tons of newsprint to the newspaper presses on this continent, and, in addition, sells 500 tons a day of other papers and 300 tons of bleached sulphite pulp.

Before becoming president of the International, Graustein was a Boston lawyer with a nation-wide reputation. When the time came for handling the Riordon failure, he was picked to tackle the job of bringing order out of chaos.

He did it so efficiently that the International Paper Company realized that it would be impossible to obtain a better man for its executive head. Hence his appointment a few month ago, followed by the merger of Riordon with International.

Lawyers are wont to claim that it is necessary for them to know a lot about various businesses—few ever prove this business capability of which they sometimes boast. Judging only from the attitude of a few of the International Paper Company's executives, Graustein has most certainly proved his capabilities.

An Unfailing Memory

It is said that one of his chief assets is his apparently unfailing memory. One of the Riordon executives said that when Graustein first came to the company, he claimed to know nothing of the paper business. This may or may not have been true, but it is said that he never forgets anything he hears once—he may not have known anything of paper then, but he certainly does now.

For instance, the Montreal executives of Riordon say that after two or three months, Graustein will pick up a conversation just where he left off, and probably will bring in some small detail of the Canadian end of the business which he has in the meantime tucked away in his mind.

Sometimes it is one of these small details which takes a Riordon man off his guard, and he has to think quickly in order to keep pace with his president.

Graustein works all the time; no not between the hours of ten and three and then out to the golf club, but literally all the time. So true is this, that the story goes that when the vice-presidents of the company write memoranda to him, the reply sometimes takes a week to come back.

Of Interest to Investors

Naturally, what Graustein said to me in New York last week, when we were talking about newsprint, is of vital interest to all holders of newsprint stocks. It must be admitted that I called on Mr. Graustein for this interview with some trepidation, for, often the disturbing of a busy man entails, not only hard work, but oftimes hard words.

Graustein is busy, but he has the gift of suddenly turning his mind to the matter in hand and concentrating on it and nothing else; so that, while with him, one feels as if it were the one important appointment of the day for the president of International Paper.

Investors in the newsprint stocks may feel pessimistic when they consider that within the next few months Canada will have an additional daily newsprint capacity of some 1,200 to 1,300 tons, as compared with a total capacity on this continent of, say, 10,000 tons. Whatever the investor may feel, Graustein did not appear pessimistic and said:

Three Hopeful Factors

"There are three factors which will tend to absorb the increased production. Firstly, there is the natural growth in consumption—we have our own customers now—we shall have them next year, furthermore, they will require more paper; secondly, there is a high percentage of American companies which produce less than 100 tons a day; many of these will close, whilst some will go into the hydro-electric business, and, lastly, we expect less competition from Europe."

From this it can be seen that Graustein expects more paper to be used on the continent; moreover, he has the facts and figures which go to substantiate this forecast which, when consummated will go a long way to helping not only the newsprint mills, but the sulphite producers as well.

In speaking of present prices, he declared that there is little, if any, newsprint changing hands in Canada or the States at less than $70 a ton—this means f.o.b. mill. The main basis of this statement lies in the fact that this is International's price until the end of 1925, and there is no intention of changing it; moreover, not once has his sales department complained of price cutting by others. As to future prices, he would make no prediction.

No Pessimism

I tried hard to obtain some pessimistic talk from him about the newsprint companies, but in return he asked me how many industries at the present time are running at capacity, night and day? He summed up the situation by saying that as other industries seldom operate at full capacity all the time, there is no reason to suppose that the newsprint companies cannot accommodate themselves to conditions under which other industries can survive and, indeed, make a good living—in other words, even if some of the companies do not run 24 hours a day and 7 days a week, there is no reason to suppose, therefore, that they cannot earn dividends.

Graustein, although he did not indicate it, may possibly feel that the rapid increase in production will produce a certain too-keen competition, but since our forest industries produce such a large proportion of our total revenue, Canadians as a whole, must be glad to know that while the president of the International Paper Company was not optimistic regarding the future, nevertheless he was anything but pessimistic.

As I left his almost small and quietly furnished New York office, another man was ushered in. Probably he, too, was made to feel that his interview was Graustein's most important engagement for that day.

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Fraser River Has Romantic Story to Tell

Has Helped Build Wealth on Coast

THERE is a story told about a devout old lady who expressed her admiration for the mind that had, with a peculiar foresight, placed the great rivers of the world close to the large centres of population. Such a quaint mental contortion in regard to the matter of cause and effect would hardly have been possible had the lady in question lived in British Columbia during the last half-century or so and witnessed with her own eyes the influence which the Fraser River has had upon development within this province. She would have realized that rivers, a potent force in the maintenance of progress, are more apt to be the primary cause of communities, rather than mere accidental neighbors.

For those who care to dream, there is magnificent scope in conjuring up the origin of the Fraser River. How long has this stream poured itself northwest from Tete Jaune Cache, in the Rocky Mountains, as far as Prince George, then south as far as Ashcroft, and west to the sea? How many centuries has it taken to engrave its route upon earth and rock? How old was it when Simon Fraser, the twenty-five-years-old son of Scottish parents, came upon what he termed "the Great River" on July 10, 1806, after an arduous journey overland from the east?

Fraser First White to See It

The monthly magazine of the British Columbia Telephone Company answered these questions recently in an interesting article. Discovering and naming the river, Fraser was the first white man to descend it to its mouth, and he accomplished this feat in the face of fearful dangers from hostile Indians and from the river itself, which he found to be an extremely temperamental creature, with its angry rushes through narrow canyons and its suave deliberateness as it neared the sea.

It is a pity that men who defied fate as Fraser did cannot come back from time to time throughout the ages and revisit the scenes of their achievements, for doubtless the hardy explorer would enjoy looking down upon the Fraser River from the comfort of a railway car, and he would be compelled to admire the ingenuity of the men who built the railroad, although he might be scornful of modern transportation, which is not compelled to take into consideration the redskins who attempted to capsize him into the river's angry waters. Perhaps, too, if he visited Victoria, and found that his diary was still being preserved in the archives there, he would regret not having written more or uttered something of dramatic brilliancy concerning the Fraser River when he discovered it, instead of being so matter of fact about the achievement.

Spectacular Fortunes Made

Fame did not single out the Fraser River until the middle of the last century, when gold was discovered in the river bars, and hungry seekers of easy wealth poured into the country. The stampede was a fortunate thing for the historians, as it has given a specially vivid hue to the past of this province.

The mad scramble for gold in the bed of the Fraser resulted in the making of some spectacular fortunes, "Cariboo" Cameron, one of the characters of those days, being said, for example, to have taken out $150,000 as his share of three months' work.

The peak was reached in 1863, after which the decline set in. One important result of the boom on the Fraser was the construction of the famous Cariboo waggon road from Yale, the head of navigation on the river, to the Cariboo mines, a distance of nearly 400 miles being covered in less than three years, in spite of great engineering difficulties that necessitated blasting the road out of the sides of sheer cliffs in some places and the supporting of the roadbed on log cribbing in others, with the Fraser rushing past many feet below. Oxen, mules, steam traction engines, and even camels were among the forms of transportation used in carrying supplies over this road after it was ...

New Westminster Site Chosen

During the gold rush the site of what is now the city of New Westminster was selected on the north bank of the Fraser River, about sixteen miles from the mouth, by Colonel Richard C. Moody, of the Royal Engineers.

Since those days, the Fraser Valley has developed steadily, until to-day there is no section of the province more highly regarded. A drive through the valley at the present time is an inspiration to those who have faith in this country, for the outlook is exceedingly promising.

Vancouver Almost Touches Fraser

While the city of Vancouver is not actually in the Fraser Valley, its neighboring municipalities extend to the river. The city boundary goes within three miles of the north bank now, and if the proposed amalgamation between Vancouver and South Vancouver is consummated, the city will then have a stretch of river frontage.

Much Fertile Land

There is no more fertile land in British Columbia than that of the lower Fraser Valley, and the annual production is steadily increasing. The question of markets has been vexing the farmers, and has driven them into co-operative movements, which appear to offer the best solution to their problems. Particularly outstanding is the co-operative dairying organization known as the Fraser Valley Milk Producers' Association, which is said to include the great majority of the valley farmers, and which maintains its own retail service, handling products last year with a total value of over $800,000.

In the mouth of the Fraser there is a fertile delta extensively farmed, and

(Continued on page 11)

C.P.R. Once Owned Practically All of What is Now Vancouver, But Now Owns Little Land

By MISS G. M. McGAW.

BACK in '85, when the news was flashed throughout the world that Canada's great highway, the Canadian Pacific Railway, had been completed from ocean to ocean, and that the undertaking at which the wiseacres of that day had scoffed, was an accomplished fact, Canadians living in the settled district of the east little realized what the driving of that last spike actually meant.

To-day when they travel westward to the Pacific and view the beautiful city of Vancouver, standing as she does at the Western portal of the Dominion, they might well ask questions as to her history and the mighty factors that have gone into her development.

Port Moody, 12 miles up the broad stretches of Burrard Inlet from the open sea, was the first terminal of the Canadian Pacific in '85, and scarcely was the last rail laid before the authorities realized that this site did not provide sufficient area for the development of a transcontinental terminus.

And so it was that the company then acquired the townsite of Granville, now Vancouver, lying just within the first narrows of the inlet and overlooking what has been termed by many the finest natural harbor in the world.

This land covered an area of only four acres, which represented the nucleus of the present city of Vancouver. In addition to this, the provincial government granted the company another large area lying between the present Cambie and Burrard Streets, a further portion south of False Creek, now known as the Fairview, Kitsilano, and Southern Slope districts, and a strip in what is to-day South Vancouver, all this property south of the Creek lying within the boundaries of Ontario and Trafalgar Streets. This grant of approximately 6,000 acres was in the nature of an ordinary pre-emption.

Once Owned Whole City

In the western portion of the city three far-sighted business men had pre-empted a large section of land for its clay and coal deposits, and, being anxious to see the completion of the railway, gave the company every third lot and certain water front rights.

Thus the Canadian Pacific Railway at one time owned the greater portion of what is to-day the city of Vancouver. To-day the company owns within the city limits only what is necessary for railway purposes and the Hotel Vancouver property.

As the line was being built into the city in '86, the company undertook the development of Vancouver. Land was cleared, streets were graded, and the construction of the Hotel Vancouver begun. In order to encourage the development of the districts lying south of False Creek, the Canadian Pacific contributed largely to the cost of the first Granville Street bridge and began clearing and opening up the adjacent districts of Fairview and Kitsilano, at which time several houses were built and sold by the company in these sections. All this activity was undertaken within the city limits.

Shaughnessy Heights

Twenty years' expansion within these limits had taken place before the Canadian Pacific undertook its Shaughnessy Heights project. About 1909 the municipality of Point Grey, extending from Sixteenth Avenue across the present Shaughnessy Heights section, down the Southern Slope to Marpole and west over Point Grey to the Gulf of Georgia, began to open up, and the company was beginning to feel the pressure of taxes on its pre-empted property. It was then decided that a block of 400 acres directly south of Sixteenth Avenue and east of Granville Street, should be improved.

Work began immediately on the clearing and blasting necessary for the development of the section. No expense or energy was spared to have the area properly town-planned. Streets were surveyed and defined to follow the contour of the slightly rolling land; drains were laid, water services installed, concrete curbs built, cement sidewalks put down, good roads and graded lanes laid out, boulevards and park spaces reserved, the entire expenditure approximating $1,500,000 and resulting in an area of residential property unsurpassed in the Dominion for natural beauty and perfection of planning. It is to-day Vancouver's "show" suburb.

All improvements were completed before a foot of land was put on the market, after which a large proportion of the section was immediately taken up, the company's restrictions and easy loaning policy proving attractive features to prospective home builders. These restrictions prevent any further subdivision of this property until 1935; they prevent using the property for anything but residential purposes, with but one house on each lot, and place the minimum cost per house at $5,000, the company reserving the right to approve all plans for houses.

So successful was this undertaking in the first section of Shaughnessy Heights that in 1912 another block of 400 acres was cleared and put on the market in the same way, at a cost of $800,000. To-day, 700 palatial homes grace these tree-shaded streets, with 58 homes in the course of construction in these two sections alone.

It was at this time that 100 acres were set aside in the heart of this property for what is now the Shaughnessy Golf Club. The Canadian Pacific spent $130,000 in improvements and in the building of the course and club house, which are now leased as a private club for 99 years. Other sports have also been sponsored in this area, ample grounds having been leased on easy terms for tennis, cricket and bowling.

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Investment Securities

Fraser River Has Romantic Story of Wealth to Tell

(Continued from page 10)

protected from flooding by dykes around its margin. There are other islands farther up the river safeguarded in the same fashion. From time to time unusually high water comes in the spring, and some damage is done, but man is improving his defences and the peril to property is being gradually reduced.

Important in Lumbering

In the timber industry, the position of the lower Fraser Valley is noteworthy, both in regard to the resources available and to the number of mills in operation. The Dominion government timber belt, extending twenty miles on each side of the Canadian Pacific Railway, contains ten billion board feet of saw timber in the lower Fraser Valley, between Lytton and the sea, forty-five per cent. being Douglas fir, thirty-four per cent. cedar, and fifteen per cent. hemlock. The balance is spruce, balsam, etc. There is also half-a-billion feet of small material available for piles, ties, poles and pulpwood. The amount of timber cut in the area in 1924 amounted to 204,281,266 feet of logs, 36,450 cords of shingle bolts, and 468,850 lineal feet of poles.

There are about eighty sawmills, shingle mills and box factories on the lower Fraser, and these are not wholly dependent upon the valley timber for their raw material, as a large quantity is brought in from outside points. The river offers excellent transportation facilities for logs, with the added advantage which fresh water has over salt in the matter of preserving the cut timber.

The Tragedy of Salmon

Concerning the story of another industry of the Fraser River, an element of tragedy enters in, with, however, the orthodox ray of hope to cheer the reader. Commercial fishing for sockeye salmon began on the river in 1876, and the Fraser system became the greatest salmon fishery in the world. There were numerous canneries erected, and the industry grew to mean much in the development of the province.

It was found that the sockeye of the Fraser River system, which includes the neighboring sheltered waters of the sea, such as the Juan de Fuca, Rosario, and Haro, straits, and the Gulf of Georgia, are hatched in the watershed of the river, live for the first year or more in its lake waters, and then migrate to the ocean, where they remain and grow until the summer of their fourth year, when they seek to return to the Fraser River basin in order to spawn, and after spawning they die. In making their way back to the Fraser the fish often pass through American waters, so that our neighbors as well as ourselves benefit to a handsome extent by the existence of the Fraser.

Sockeye Catch Reduced

From 1900 to 1918 the sockeye catch in Canadian waters produced a pack of 5,030,730 cases, while the catch in American waters totalled 7,382,343 cases. It was a regular occurrence for every fourth year to produce a much larger run of salmon than in the other three years, but disaster befell the industry in 1913, when, owing to the presence of a rockslide in a narrow part of the river, due to railroad construction, the salmon were baffled in their efforts to reach their spawning grounds. The result was that when the next four-year cycle was completed, in 1917, the pack was seventy-six per cent. less than in 1913, in spite of the fact that more fishermen and more gear were employed and higher prices for fish were paid.

Consequent upon the 1913 blockade, the number of sockeyes was reduced to an alarming extent, and the matter became one of international concern. Efforts have been made for some time past to reach some arrangement between Canada and the United States whereby fishing would be curtailed sufficiently to permit the restoration of the salmon. The situation is now hopeful.

While the salmon fishing industry of the Fraser no longer holds its former high place, it is still of considerable importance, as shown by the fact that last year the pack amounted to 369,603 cases.

Resources in Electricity

With electric power gaining headway along multifold lines, it is noteworthy that Fraser tributaries contain the necessary resources for extensive hydro-electric developments, destined to play an important part in the building up of the territory. These resources are already harnessed, to some extent by the B. C. Electric Railway Company to supply power to the lower Fraser Valley, including the cities of Vancouver and New Westminster, and the corporation is engaged in extensive construction work which will result in a substantial increase in the power available.

Growth of Fraser Ports

The position of the city of New Westminster is particularly encouraging at the present time. This community, with an estimated population of about 18,000 people, is experiencing a healthy industrial growth, which is focussing public attention upon it. Of special significance is the development of the lower Fraser as a fresh-water port. The harbor of New Westminster, under the control of a harbor board, extends from the mouth to Pitt River, a distance of from twenty to twenty-five miles.

In 1921 only thirteen deep-sea vessels used the port; in 1922 the number rose to thirty-five; in 1923 there was a further increase to forty-eight; and last year the aggregate reached 100 per cent. over the previous year, and totalling 325,000 net tons of shipping. The development still continues, the first five months of this year witnessing a 100 per cent. increase over the same period of 1924.

Loblaws' Business is Continuing Upward Trend

Loblaws has now 30 stores in operation, 4 more than at this time last year. Net profits for the year ending May 31 were a little better than $275,000 compared with $211,776, or about $3 per common share. In the first two months of the current fiscal year, June and July, earnings continue to show a proportional increase. Gross sales for the year ending May 31 were $6,125,000, increased from $5,066,386.

B. C. Marsh of the James W. Sewall timber cruising office, Old Town, Maine, has gone to New Brunswick on timberland investigation. Mr. Sewall reports business reasonably good but slow. He has men out in Northern Newfoundland, in Western Ontario and in Maine, with orders booked ahead for sometime to come.

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Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Kirk Gold

Chesley Inquirer.—I am interested in Kirk Gold, I have not heard anything of it lately. What is the news?

Kirk Gold Mines is a prospect in the Kirkland Lake Camp which is being aggressively developed. The property is fairly well located and the surface geology favorable. We understand the company sank a shaft and is now proceeding with lateral work. For the money spent we understand the company has got very excellent value.

To Learn Holdings

Prospector.—I want to learn what the stock holdings of a mine official are. How can I find out the number of shares registered in his name?

We would suggest that you get in touch with the provincial secretary of the province in which the company is incorporated. The usual thing is for a company to file yearly a report of list of their shareholders giving their holdings. Even this might not be accurate as since the list was filled the person in question may have enlarged or cut down his holdings materially.

An Asbestos Prospect

Reader, B. C.— I have an interest in some promising asbestos claims in Ontario. We are willing to give an undivided third interest to one who is sufficient a sport to back this up and finance its development and exploration. Could you put me in touch with anyone?

We know of no inquiry at present for Asbestos propositions in Ontario, but would not be surprised to see interest grow if the properties in Delora under development show anything worth while. You might find it difficult to interest capital in a new and unproven field such as you speak of on the basis of one third undivided interest to one who will provide the funds to develop and prove it up. At the present time there are many commendable gold and silver propositions in the north country looking for capital and which are offered on a more attractive basis than you suggest for your Asbestos proposition.

C.N.R. Debenture Bond

Reader, Uxbridge.—Last year I bought C. N. R. income bonds at $6.25. I am rather nervous about it and think of selling and buying Mining Corp. of Canada to make up my loss. Should I?

We are doubtful about recommending that you should sell your C.N.R. income debenture bond to reinvest the proceeds in the Mining Corporation of Canada. The possible yield on the bond will be around 10 per cent. You are fairly certain of getting $1,000 for your $625 bond. Of course, there are possibilities against this, as if the C.N.R. was turned over to a private corporation along with its liabilities. On the other hand, there is nothing to show that Mining Corporation is on a permanent dividend basis. If it is and continues paying at the rate of 50 cents per share per year yield at the present price would be about 19 per cent. It is the more speculative of the two.

National Steel Car

Reader, New Jersey.—Please let me have information regard National Steel Car stocks.

The market range on the common stock, and the only stock, of the National Steel Car is at present around 12 and 14⅛, although early this year there was a block of a small lot of the stock sold at $5 per share. Previous to that range had been 12 to 14⅛, which is the present market. In 1924 the market was, low 11, high 14⅝, 1923 10 and 19, 1922 12 and 18. The last annual report of the company for the year ending June 30, 1924, shows current assets of $2,543,411, and current liabilities of $1,229,900. The proportion of the latter was a large bank loan which has since been taken care of. The net profits for the year were $608,814. Surplus stands at $2,395,937. At the end of the fiscal year, the bonds outstanding total $1,610,000, the company having during the year retired $100,000 worth. On August 31, 1924, the bonds outstanding totalled $1,360,000, the company having a good portion of the year's earnings to retire bonds which became due. The capital stock of the company is 100,000 shares of no par value. The company is regarded as being in a strong position. Depreciation and depletion accounts stand at just slightly under $1,000,000.

Greenshields

Maritime Investor: Can you inform me as to the standing of Greenshields and Company, the bond house of Montreal?

Greenshields and Company of Montreal are a thoroughly sound and reliable investment house, and you may deal with them in full confidence.

King Kirkland

E. C. H., Ontario.—What are the prospects of success for King Kirkland Gold Mines?

King Kirkland Gold Mines have a well located property in Kirkland Lake Gold Camp which has been idle for a couple of years, in fact ever since the Tonapah Mining Company, of Nevada, dropped its option on the claims. The property is regarded by many as having exceptional merit, but the financial position of the company is weak although the bulk of its shares are still in the treasury.

British Matachewan

Hamilton Reader.—I have a number of British Matachewan shares. Would you advise keeping on selling? If selling what is the market price?

There is practically no market for your British Matachewan Gold Mines shares. Under the circumstances you practically have no option but to hold them. The property is well located and is said to possess considerable merit. Those in control are letting it lie idle hoping that they will learn something to their advantage when the adjoining properties are more fully developed.

General Peroleum

Reader, St. Catharines.—I would like information on General Petroleum stock listed on New York Exchange.

The present market on General Petroleum common, par value $25, is 47¼-47½. Standing ahead of these shares are bonds and gold notes to a total of $21,109,000 and $3,212,200 preferred. There is $25,945,200 of common stock. The latest figures available on the company's earnings show that in 1923 the interest on the funded debt was earned 8.2 times, after that the earnings on the preferred were $46.63 per share, and earnings on the common $5.56 per share. The dividend on the common stock is 2 per cent. quarterly and the company shows total assets of $106,563,904. The company has very large holdings throughout the United States and Mexico in the oil fields.

Excellent Mining Selection

Reader, Niagara Falls:—I hold 500 Teck Hughes, 100 Lake Shore, 30 McIntyre. I have a small amount of money available which I would like to invest for myself and my son. I notice in The Financial Post, Morgan Kemerer favors Castle Tretheway among the non-dividend payers. Do you consider Teck Hughes and Lake Shore a hold for a couple of years? What was the last price on Southern Canada Power pref. ad Greater Winnipeg Waterways, 5s?

Teck Hughes and Lake Shore have both had material rises, but there is a feeling abroad that both will sell at higher levels yet. We believe, however, that when you get a good profit on Teck Hughes you would perhaps be well advised to take it and get into something else. The capitalization is high, there being around 4,500,000 shares outstanding, which with the stock selling at $1.70, puts a value of $7,650,000 on the mine. They have cut good ore by diamond drill and are now sinking to open it up and in addition are increasing the size of the mill. Lake Shore we look to further increase its production and likewise its dividends. McIntyre is to be regarded as a hold which over a period of years should give you a good return and also show a material appreciation in price.

We agree with Mr. Kemerer that Castle should be among the next dividend payers. The company's annual report is now in course of preparation and should show an attractive position from the shareholders' viewpoint. Vipond is another excellent stock. In connection with your mining investments would suggest that you carefully read our mining issue of July 24. You will find all the companies reviewed and their financial position clearly set forth.

The last sale of Southern Canada Power preferred was in May at 108¾. No quotations are available, the stock being very inactive.

Greater Winnipeg Waterways, 5s, due 1952, are quoted at 100.25 to yield 4.98.

Iron-Ore Properties

Fort William Reader.—I would be obliged if you will put me in touch with British capital who might become interested in iron ore properties. Is there a special C. N. R. rate on iron ore?

We have not had inquiries from British capital seeking iron ore properties in North-western Ontario. It is a little doubtful if it would be possible to get them interested in unproven prospects and with the present state of the industry when ore is so cheap in the United States. It might be possible to interest British capital in proven prospects, but as the case in the gold and silver mining it is a little difficult to get them to consider anything that is still unproven.

The C.N.R. has no special rates on iron ore shipemnts but are always glad to give a cut rate on shipments as a means of encouraging the development of new tonnage.

C.P.R.—American Tobacco

J. B., Maritime.—I have 500 C. P. R. and 100 American Tobacco B. I am advised to sell C. P. R. and buy more Tobacco. Would like your view.

We do not make it a point to keep in touch with various American stocks, as it is rather difficult to get their records. However, on receipt of your inquiry we took it up with one of the most reliable houses dealing in such issues. They did not think you should change. They state there is much greater speculative element in the Tobacco stock than in C.P.R. It is true, they state, that C.P.R. is only about earning its dividend, but they also make the point that the stock is selling at the present time at a price in keeping with these earnings. They express the opinion that from now on, C.P.R. earnings will do better and they expect to see the price of the stock move up in proportion. On the other hand, they state that American Tobacco is up and down in various wide fluctuations and they cannot see the investment security in such a stock when comparing it with C.P.R.

Three Insurance Issues

Nova Scotian.—Could you give some data on Home Insurance of New York? What dividends are paid? Also the same data on National Fire, Hartford?

F. B., Ontario.—Would you let me know the value of North American Life stock?

It is very difficult to get a line on the position of insurance stocks either in Canada or the United States, because these shares are not listed. Home Insurance Company has a capital paid up of $18,000,000 and their latest available statement shows that in 1923 the stock was on an 18 per cent. dividend basis, while the surplus stood at $16,483,287.

National Fire Insurance of Hartford, is capitalized at $2,000,000 and in 1923 was on a 20 per cent. dividend basis. The surplus stands at $49,101,571.

One broker who has been making a specialty of life insurance stocks quotes $210 per share on North American Life. The stock is very scarce. We understand that the book value of the stock is something around $3,000. The company has a very large surplus.

Current Opinion

OPPORTUNITIES FOR ECONOMY

Peterborough Examiner: In Ontario we have a population of about three millions (it was 2,993,662 at the last census) and a government of 13, four of them without portfolios, while no less than 112 men are sacrificing themselves on the altar of public service as assembly members, in return for an indemnity of $2,000 a year. We should have an assembly of not more than 50 at the most, and a smaller government, and we should set the Dominion authorities such a good example in economy that Canada would cut its federal government costs in half without any further delay.

Opportunities for economy do not lie with the Maritimes alone. They are over-governed and taxed far beyond reason, but other provinces have the same amazing weight of government extras and the Dominion itself has done nothing toward setting us a model. A million saved is a million earned, but it does not stop there. Every million saved can be put to productive work and multiply itself. That is the beauty of well-directed economy. It builds.

THE SPIRIT OF THE WEST

Winnipeg Tribune: Mr. Beatty, who heads the C. P. R., recently thought well to recall some old-time Western chronology, in order to move an audience of Canadian manufacturers to take a more optimistic outlook. In a speech at Hamilton, now of record in a neat booklet, he devoted a paragraph to 1893-1894—years of a wide-spread depression throughout this continent, when low wheat prices and vast floods played their part in the three prairie provinces and at the coast, respectively. Those were the days of daily bank crashes in the United States, of Coxey's army marching upon Washington, when "a dollar looked as big as a cart-wheel" in Canada. They are days now but a memory, true, because, in Mr. Beatty's words, "in the battle for success it is the spirit that counts much more than material resources." And that spirit in the West, in the days dealt with, was not of any class, but general throughout in the breasts of the people.

Sir William Van Horne himself, as he stood aghast on reaching the scene of the flood havoc in British Columbia, thought it worth while to record the mental attitude of a humble employee, "Well, sir we'll run the road, whatever comes." And, similarly, the pioneer homesteader, whose low wheat price of that period has since passed the mark set by Sir William—a price once similarly regarded by the growers and the public generally—took a fresh grip on his plow-handles and won out.

That was not the first nor the last time in the West when nothing but complete confidence in a great future made it possible for the people to carry on through tremendous hardships. Present difficulties are not comparable with the periods of stress already won through and all but forgotten. It is well to do as Mr. Beatty has done, and turn back the pages of time long enough to recall some of the hardships met and overcome in past years. It leads to a better appreciation of what the future holds in store for us. For the West has not approached, yet, the zenith of its development. It is little more than the foundation on which a great country will be erected.

Another Correspondent Favors Selling C.N.R. to C.P.R.

Editor, The Financial Post:

The most serious question of the day, in my mind, is one that you should press to a finish. I consider you are in a strong position to help the over-taxation of our country. The fact of public ownership is a thing of the past and should be discouraged. The government never should have taken over any railways, and the C. P. R. should have the C. N. Railway.

RICHARD S. MARTIN
Hamilton, Aug. 12, 1925.

Marketable investments

Having been associated with the original issue of the following securities, we are at all times prepared to quote markets in them.

Bonds

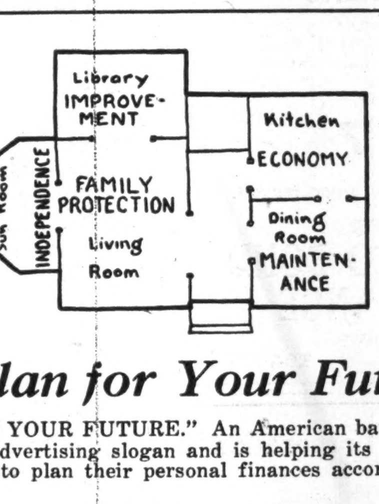
Montreal Tramways
Gen. & Ref. 5's.......1955
C.P.R. 4½'s 1944
Bell Telephone 1st 5's..1955
Quebec Power 6's 1953
Jamaica P. S. 6½'s....1943
Brompton P. & P. 6's..1939
Brompton P. & P. 8's..1941
Howard Smith 7's 1941
Drummond Inv 6½'s...1938

Preferred Stocks

United Securities 6%
Ottawa L. H. & Power 6½%
Brantford Cordage 8%
Continental Baking 8%
Jamaica Pub. Service 7%

Greenshields & Co

17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street



A Plan for Your Future

"BLUE PRINT YOUR FUTURE." An American bank has hit upon this as an advertising slogan and is helping its savings department customers to plan their personal finances according to a well-charted scheme.

The bank officers consider that a man's finances are like a house. The house has a living room; it stands for family protection. A man has insurance; that also stands for family protection. The library in the house means self-improvement and there should be in every personal budget something for self-improvement. The kitchen is economy in this plan; the dining room, maintenance; the sun room, being a luxury, is independence.

There is more than theory to the system of a personal or family budget as carefully planned and as closely followed as the plan for a home. Nor is the personal budget a thing for the man of small income only; the young married man who is but getting his start in life. One of Toronto's wealthy men has built a fortune on just such a definite allotment of expenditures and investments. He is a lawyer but has never been one of the city's leading, most highly feed lawyers. But he made himself independent by being systematic in his spending and saving.

Write for an Offering List

If you have funds to invest or expect funds soon, let us send you a list of good bonds. We can offer a wide selection, including Government, Municipal, Corporation and Public Utility bonds. Our "Odd Amount" List also provides some good opportunities for investors with moderate amounts to obtain very favorable interest.

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We shall be glad to send any investor a copy of the current issue of our monthly booklet "Investment Securities" which contains a complete list of our recommendations.

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Is Lake Superior Corp. Racing Towards Another Severe Financial Shake-up?

What is to become of Lake Superior Corporation?

Frequently the question is heard. The extension of the due date of the income bonds from 1924 to 1929, caused a great deal of discussion. A review of the earning position of the company for the last couple of years is bound to renew the discussion. Heavy deficits are being piled up. Including Algoma Central Railway among the subsidiaries, it is found that six of the eight showed a deficit from operations during the past year. It was a bad year, but it is the fact that the company has been having bad years for some time now, that has placed its position in jeopardy.

There has been considerable talk of re-organization for the past couple of years. If the different factions as represented by the bond and stock holders, could have been brought together, there would have been a re-organization ere this and perhaps $25,000,000 new capital interested.

There are indications that something must be done. The company cannot go on piling up deficit after deficit. If there were hopes of a large volume of rail orders from the Canadian roads, the outlook might not be so dark. But the senate is sitting upon C. N. R. extensions and the C. P. R. is not anxious to rush out new branches. So that from this source, replacement orders are about the most that can be expected. The Financial Post has been told that until there is a re-organization and the one-sidedness of the big steel plant is taken care of, there can be little hope of the steel plant being a crowning success. A structural mill is said to be needed. With the present limited output in lines and with keen competition, there does not seem to be much hope. The following table of operation for the past year, tells the story quite vividly.

	Days Operated	Days Closed
Rail mill	85	228
Merchant mill 18 in.	197	116
Merchant mill 12 in.	245	68

This story, the same the year previous, explains in part the showing made in the following table. If the steel plant does not do well, this is reflected in the earnings of other subsidiaries, such as the coal mines, railways, etc.:

	1923	1924
Net earn.	$1,156,740	$ 28,685
Less—		
Div. and int.	1,307,828	1,276,218
Deprec.	86,163	78,403
Deficit for year	237,251	1,325,936
Deficit for'd	1,307,949	1,545,200
Total deficit	$1,545,200	$2,871,136

From this it will be seen that in the past year the corporation piled up a deficit of $1,325,000 to add to an even larger deficit from previous years.

The position of the subsidiaries as a result of this poor year is shown by the following figures taken from their annual statement. It will be seen that with the exception of Lake Superior Coal, which markets considerable of its product to other companies besides Algoma Steel, had a good year. The Virginia Coal Co. was tied up by strike.

Subsidiaries	Capital and Bonds	Assets	Surp. or deficit
British Amer. Exp.	$ 100,000	$ 107,747	$ 259
A. E. Railway	5,500,000	6,535,155	* 561,752
A. C. Railway	5,318,000	....	** 120,636
A. Steel Corp.	46,259,373	50,745,885	*1,852,703
Fiborn Lime	250,000	441,653	* 81,045
Cannelton Coal	729,000	1,833,241	* 157,644
Lake Superior Coal	450,000	1,007,206	155,572
Soo Traction	100,000	134,187	* 38,307

* Deficit.
** 1924 deficit before bond interest.

The Algoma Steel, it will be seen, had a huge deficit. The following table reflects this in the manner in which the subsidiary is eating into its working capital, which in two years has dropped back $1,500,000.

	1922	1923	1924
Assets	$6,990,872	$8,254,242	$6,258,769
Liabilities	1,930,675	3,818,749	2,622,274
Work. capital	$5,060,197	$4,435,493	$3,636,495

Unfortunately there is no consolidated balance sheet available, or it would perhaps show some interesting figures, other than those included here, of this great but heavily capitalized and indebted corporation with its numerous subsidiaries. Some idea of the amount which is involved in the corporation and subsidiaries can be gleaned from the following table of the capital and bonded indebtedness of the various enterprises as closely as they can be figured out, along with an estimate of the amount held in the corporation treasury and that held by the public.

These figures follow:

	Issued Stock	Issued Bonds	Held by Corporations Stock	Held by Corporations Bonds	Held by Public Stock	Held by Public Bonds
Lake Sup. Corp.	$40,000,000	$7,593,850	....	....	$40,000,000	$7,593,850
Algoma Steel	25,000,000	21,259,373	$25,000,000	$5,800,000	....	15,459,373
Brit. Amer. Exp.	100,000	....	100,000	....	....	....
Algoma Central	5,000,000	318,000	5,000,000	318,000	....	....
Algoma Eastern	3,000,000	2,500,000	2,000,000	....	1,000,000	2,500,000
Soo Traction	100,000	....	40,000	....	60,000	....
Fiborn Limestone	250,000	....	250,000	....	....	....
Cannelton Coal	500,000	229,000	500,000	....	....	229,000
Lake Sup. Coal	450,000	....	450,000	....	....	....
N. Foundry	....	....	2,500	....	....	....
Mich. N. Ry.	....	....	11,500	....	....	....

The corporation is a holding company, so that details of its earnings can hardly reflect the true position. They do, however, reflect that lack of prosperity. They are:

	Income from Subsidiaries $	Other Income $	Total Income $	Int. and Gen. Exp. $	Int. on Inc. Bonds $	Deprec. $	Surplus $
1915	342,859	26,174	369,033	367,371	......	......	1,662
1916	290,000	45,759	335,759	310,305	......	......	25,454
1917	330,000	123,834	453,834	309,819	150,000	......	*5,985
1918	995,000	53,759	1,048,759	346,485	150,000	150,000	402,274
1919	1,334,000	49,758	1,339,758	340,273	150,000	520,000	383,485
1920	554,669	719	555,388	386,465	138,650	......	30,273
1921	392,222	593	392,815	429,764	......	......	*36,949
1922	392,846	1,044	393,891	367,495	......	......	26,396
1923	338,043	2,263	340,306	333,228	......	......	7,078
1924	363,928	1,200	365,128	348,960	......	......	16,167

Working Capital

	1919	1920	1921	1922	1923	1924
Current assets	1,329,794	601,470	161,967	127,378	403,146	441,683
Current liab.	246,667	293,589	198,559	68,632	123,137	72,590
Working capital	1,083,127	307,881	(Dr.) 36,592	58,746	280,009	369,093

But the threatened re-organization in Lake Superior Corporation will be

(Continued on page 16)

News of the Investment Market

FUNDS PLENTIFUL AND BOND PRICES CONTINUE STRONG

Market Preparing to Make Strong Bid for Federal Financing

Apart from the few odd municipal offerings coming forward from week to week, the bond market continues quiet. Prices remain strong enough—in fact have shown a slight hardening tendency this week—but the holiday spirit is very manifest and is likely to remain so for the next two or three weeks. A few industrial issues are underway, and some are being sold quietly all the time, but there will probably be nothing of a large nature in this line for some little time. A rather considerable volume of foreign bonds also are being sold in the Canadian market. There is a noticeable scarcity of offerings at or above the 5 per cent. level, and there is little interest on the part of buyers in anything offering less. Money remains plentiful and easy, and confirms the doubt that any accountable shortage of funds will be occasioned either by reviving business or by crop-moving requirements.

Interest in the coming Federal Government financing is beginning to take the centre of the stage. At the moment opinion is toward the probability of its being taken up in New York. It is certain that a strong bid is being made there for it. At the same time local interests will also make a strong bid. If New York is successful, there is going to be a scarcity of worth while issues in this market and there will be a consequent stiffening of prices. Should the issue come here, the price tendency will be the reverse. It is strongly probable that the advance influence will be felt in the Canadian market in the near future. The comments of a leading New York financial publication are of interest:

One of the next big pieces of government finance to be negotiated in this market is a loan to Canada. In size it may reach $150,000,000 and it is quite likely that the bulk of the loan will be placed with investors in the United States. On Sept. 15 next, $90,000,000 of one year notes mature and on Dec. 1 a bond issue of $42,000,000 will become due. In April of next year a $25,000,000 issue matures. A single bond issue to care for the September and December maturities appears to be under definite consideration and it is stated that at least two large New York banking groups are already competing for the business.

A Canadian loan in the United States would be warmly received. The financial prestige of our northern neighbor has been enhanced by the manner in which her war-time fiscal responsibilities were shouldered and the problems arising therefrom solved. The success of the country's effort to regain her financial equilibrium is testified to by the fact that almost a year ago the Canadian dollar had regained its pre-war value of 100 American cents.

Canada's loan is welcome in the States. In fact, should our bankers fail to land the contract for this distinguished bond issue, Wall Street will be quite as much upset as London is reported to have been chagrined over the placing of the Australian loan in New York.

Bond prices in the New York market have been unusually strong for this time of year. Railroad issues have been the leaders, for the most part. Merger discussions in the south-west and the prospect of a large crop and big carrier profits therefrom have bolstered prices. There has also been a fairly large volume of trading in numerous foreign issues, especially as reports of improving conditions accumulate from Europe and elsewhere. Despite predictions of tighter money pending business revival and crop moving, there is still an abundance of funds, as is the case in the Canadian market, and indications of an immediate tightening are somewhat lacking. A much smaller list of offerings is coming forward this week in the municipal field.

BOND MOVEMENTS OF THE WEEK
WEEK ENDING AUGUST 18

BONDS	Int. Rate	Due Year	Yield	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
C. C. Rubber	6	1946	5.95	102¾	98¾	101	95	—	—	100½	100⅛
Dom. Coal	5	1940	6.02	89¼	86	90	86	89¼	—	90	—
Dom. Iron	5	1929	7.34	89¼	86	94	86	—	—	94	90
Mont. Tram.	5	1941	5.23	95½	91	98¾	93	97	—	97½	97
Ogilvie	6	1932	5.14	104½	101½	105	104	105	—	105	—
War Loan	5	1925	5.00	100.95	100.15	101.15	99.80	100.25	100.15	100.05	100.00
Do.	5	1931	4.61	102.45	100.60	102.65	101.00	102.20	102.10	102.25	101.95
Do.	5	1937	4.56	103.85	102.60	104.95	103.80	104.60	104.50	104.60	104.15
Victory Loan	5½	1927	4.18	103.05	102.05	103.15	102.05	102.40	102.30	102.60	102.05
Do.	5½	1933	4.66	100.70	100.30	107.00	105.50	105.80	105.70	105.80	105.40
Do.	5½	1934	4.94	104.70	102.85	104.75	103.20	104.05	103.90	104.10	103.65
Do.	5½	1937	4.52	108.90	106.15	110.00	108.45	108.70	108.65	109.00	108.45
Do. Renewal	5½	1927	4.70	102.70	101.10	102.95	101.20	101.65	101.50	101.60	101.20
Do. "	5½	1932	4.98	103.90	102.10	104.20	102.85	103.25	103.15	103.10	—
Do. Refund.	5	1928	4.81	100.85	99.40	101.45	100.15	100.55	100.40	100.55	100.15
Do. "	5	1943	4.87	102.85	99.00	102.90	101.15	102.05	101.90	101.85	101.80
Do. "	4½	1944	4.74	97.15	97.00	97.35	95.05	97.20	97.10	97.30	97.25

Kensington Manor Apts. Are Sold For $220,000

The Kensington Manor Apartment of Windsor, Ontario, on which an issue of $95,000 seven per cent. first mortgage bonds was recently floated, was sold this week for $220,000. The property is the security behind the issue which was sold by the United Bond Co., Ltd., of Windsor. When the bonds were sold the property was appraised at $199,000, which is evidence of the conservative policy followed in appraising the value of these properties. The Ouellette Apartment, on which an issue of bonds was recently sold by the same firm, was appraised at $100,000 and later sold for $125,000. It is generally recognized that the big risk in the case of real estate bonds, so popular of late, is due to unduly high appraisals of the value of the properties. The investor's only safeguard in the case of these bonds is the assurance that a reasonable appraisal has been made.

Option Warrants Issued By Associated Gas Co.

Notice has been sent to all stock holders and other security holders of the Associated Gas and Electric Co., of New York, offering the rights to purchase a new issue of 6½ per cent. interest bearing option warrants. Holders of preferred stocks, Class A stock, 6½ per cent. secured convertible bonds of 1954 and convertible debenture certificates (Series A, B and C) are granted the privilege of purchasing for each two shares of stock held (of record August 10) and for each two shares of stock into which convertible bonds and debentures will be exchangeable, one 6½ per cent. interest bearing option warrant. These new warrants will be part paid, the initial call being for $35, the balance of $60 being subject to call on 30 days' notice at intervals, but no payment may be called for before January 5 next, or for more than $10 per call. Advantage must be taken of the offer before September 10, 1925.

The proceeds of the initial payment of $35 will be used for the purchase of controlling interest in the Pennsylvania Electric Corp., as well as for new construction. Later payments will be used to acquire outstanding minority common stock interests of subsidiary and affiliated companies, to improve properties, to purchase additional properties and to retire preferred stocks and bonds ranking prior to the new bonds.

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Due 1st April, 1938
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Due May 1st, 1945
¶ "The immediate and ultimate market for power" is one of the important safety tests of public utility bonds, from the investor's standpoint.
¶ The Quebec Southern Power Corporation serves a populous and rich district having a good present market which is developing with an amazing degree of steadiness and certainty.
¶ We recommend these bonds for safe investment and will be pleased to send descriptive circular and map on request.
Price: 100 and interest to yield 6½%.
Bonus of two shares of common stock with each $1,000 bond.
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New Issue

Kingdom of Denmark

5½% External Loan Gold Bonds

Dated Aug. 1, 1925. **Due Aug. 1, 1955.**

Principal and semi-annual interest (1st Feb. and Aug.) payable in New York at the Guaranty Trust Company of New York in United States gold coin of or equal to the present standard of weight and fineness without deduction for any tax or taxes now or hereafter imposed by the Kingdom of Denmark.

Denominations $1,000 and $500.
Not redeemable prior to Aug. 1, 1930.

Redeemable for the Sinking Fund, or at the option of the Kingdom of Denmark as a whole or in part, on August 1, 1930, or on any interest date thereafter on three months' notice at par and accrued interest.
The Kingdom of Denmark has an area of 16,609 square miles, a population of 3,377,000 and a debt per capita of $90 at parity of exchange. It is an important agricultural and industrial country. The wealth of Denmark at parity of exchange was estimated in 1924 at $5,360,000,000 or about 17 times the present national debt.

PRICE: 99½ and interest,
to yield over 5½% to maturity.

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Municipal and Provincial Finance

Tenders and By-laws

TENDERS CALLED

Aug. 20, Granby, Que., $250,000, five per cent., 30-year serial.

August 20. City of Granby, P.Q.—$250,000 5 per cent., serial bonds. J. P. Bergeron, Sec.-Treas.

August 20. Municipality of Ste. Rose du Degele, P.Q.—$16,000, 5 per cent. 16-year bonds. Alexis Michaud, Sec.-Treas.

August 24, Township of Talon, P.Q.—$12,000, 5½ per cent., serial bonds. D. Bolduc, Sec.-Treas.

Aug. 24, Etobicoke Township, Ont.

Aug. 25, Hull Township, Que., $25,000. 5½ per cent., 25 years.

August 20, Municipality of West part of the Township of Hull, P.Q.—$25,000, 5½ per cent., 20-year debentures. C. H. Church, Sec.-Treas.

Aug. 25, Lanark County—$87,000, 15 and 20 instalment, 5 per cent.

Sept 2. City of Joliette, P.Q.—$126,860 5 per cent. serial bonds, A. L. Marsolais, Sec.-Treas.

Aug. 20—City of Granby, P.Q.—$250,000, 5 per cent. serial bonds. J. P. Bergeron, Sec.-Treas.

Aug. 31—School Municipality of La Motte, P.Q.—$5,000 6 per cent. serial notes. Gaudias Belanger, Sec.-Treas.

Sept. 4—Town of Beauport, P.Q.—$60,000, 5 per cent., 20-year term bonds. R. Belanger, Sec.-Treas.

Aug. 25—Town of La Inque, P.Q.—$55,700, 5½ per cent., serial bonds. Alphondor Roy, Sec.-Treas.

SASKATCHEWAN

Authorizations granted by the local government board from July 31st to August 7th, 1925:

Schools

Marne $8500, 20 years, 8 per cent. Sec.-Treas. C. C. Carlton, Orkney.

Mona, $3500, 20 years, 7 per cent., Sec.-Treas. A. Hansen, Huntoon.

Gouverneur, $3500, 15 years, 8 per cent., Sec.-Treas. R. Aldcorn, Gouverneur.

Lone Pine, $1850, 15 years, 7 per cent., Sec.-Treas. W. Marxen, Wakau.

McKague, $3500, 15 years, 7 per cent. Sec.-Treas. L. Lindberg.

Telephones

Thurlby R. T., $3300, 15 years, 8 per cent., Sec.-Treas. J. McLean, Kincaid.

Bradley R. T., $1075, 15 years, 8 per cent., Sec.-Treas. D. F. Dyle, Oakshela.

Villages

Vanguard, $1000, fire equipment, 5 years, 8 per cent., Sec. Treas. H. L. Allingham, Vanguard.

Stenen, $3000, Municipal Hall, 10 years, 8 per cent., Sec.-Treas. J. C. Ferguson, Stenen.

Regina City, $172,518, street paving, 15 years, 5 per cent.; $25,479, concrete walks, 15 years, 5 per cent.; $12,853, boulevards, 15 years, 5 per cent.; $9,051, domestic sewers, 30 years, 5 per cent.; $11,250 watermains, 30 years, 5 per cent.

Debentures Reported Sold

Last Centre, S.D., $3000, 10 years, 6 per cent., Nay & James.

Pennant, $8000, 15 years, 6 per cent., Regina Brokerage and Inv. Co.

Delisle, $2000, 10 years, 6 per cent., Melfort Sinking Fund.

Ruthilda, $4500, 10 years, 6⅛ per cent., locally.

Banks, $2500, 5 years, 6 per cent., locally.

Nora, $2500, 15 years, 6¼ per cent., Moorhouse and Co.

Avoca, $2300, 10 years, 6⅛, Cross & Co.

Drinkwater, $12,000, 20 years, 6 per cent., Cross & Co.

Moose Jaw, $93,000, 30 years, 5½ per cent., Wood Gundy.

Wilkie East R. T., $1000, 15 years, 6¼ per cent., Cross and Co.

Bow Valley R. T., 8550, 15 years, 6¼ per cent., F. Miles.

Town of Govan, $1,500, 15 years, 6½ per cent., Saskatchewan Life Assurance.

Authorizations granted by the local government board from Aug. 7 to Aug. 14, 1925:

Schools

Booth, $4,000, 15 years, 8 per cent. Sec.-treas. Mrs. Ena Morgan, Unwin.

Hill View, $1,200, 10 years, 7 per cent. Sec.-treas. John Elder, Harris.

Bar Hill, $4,500, 15 years, 7 per cent. Sec.-treas. C. Smith, Coderre.

Telephones

Titanic, $350, 15 years, 8 per cent., Sec.-treas. G. B. Bannerman, Neville.

Whitewood St. Hubert, $2,000, 15 years, 8 per cent., Sec.-treas. E. Roland, Whitewood.

Shaunavon Pioneer, $4,300, 15 years 8 per cent., Sec.-treas., Mrs. L. Hockett, Shaunavon.

Village of Birsay, $900, 10 years, 7 per cent., Sec.-treas. D. A. Cameron.

Town of Kamsack, $10,860, 5 years, 6 per cent., Sec.-treas. R. F. Roy.

Debentures Reported Sold

Schools

Carluke, $4,000, 15 yrs., 6 per cent., $3,500, Biggar Sinking Funds; $500 Melfort Sinking Funds.

Star Butte, $3,000, 15 years, 6½ per cent., Regina Brokerage.

Langbank, $8,500, 20 years, 6 per cent., C. C. Cross & Co.

Wood Mountain, $735, 7 years, 6¼ per cent., C. C. Cross & Co.

Scotstown, $1,600, 10 years, 6 per cent., C. C. Cross & Co.

Ealingford, $2,500, 10 years, 6 per cent., C. C. Cross & Co.

Thunder Hill, $1,500, 10 years, 7½ per cent., C. C. Cross & Co.

Grand Central, $1,600, 10 years 6 per cent., Sutherland Sinking Fund.

Wilkinson, $1,200, 10 years, 6⅛ per cent., Regina P. S. Sinking Funds.

Tipperary, $1,200, 10 years, 6 per cent., Regina P. S. Sinking Funds.

Buffalo Lake, $1,500, 5 years, 6 per cent., C. E. Rigden.

Camberley, $2,000, 5 years, 6 per cent., Roderick Dingwall.

Telephones

Tetlock, $300, 3 years, 6¼ per cent., Rosetown Sinking Funds.

Horse Lake, $400, 15 years, 6½ per cent., C. C. Cross & Co.

Thurlby, $3,300, 15 years, 6 per cent., Regina Brokerage.

Bradley, $1,075, 15 years, 6 per cent., Dr. Argue.

ARGENTINE BONDS UP

Of interest to those holding Argentine bonds is the recent improvement in peso exchange. The city of Rosario four per cent. Sterling Conversion bonds are now obtainable at the equivalent of £50, which represents a yield of eight per cent. and the province of Buenos Aires 3½ per cents. are quoted at £48, which is a yield of £7 6s. per cent. Buenos Aires is the province in which the capital of Argentina is situated, and it is the wealthiest province of the republic. Rosario is the second largest city in Argentina, and an important commercial centre.

B.C. REDUCES HER MUNICIPAL DEBTS AND TAX ARREARS

Sinking Funds Larger but Security Values Have Been Written Up

The recent report of the Inspector of Municipalities of the Province of British Columbia indicates a gradual improvement in the standing of the various municipal districts, but there has been less change than was expected. The salient features are a marginal rise in the earnings of the public utilities, a small reduction in the total debenture debts, a reduction in tax arrears and an improvement in the position of the sinking funds of a large number of the municipalities.

The improvement in the earnings of the public utilities is attributed to the general recovery of the purchasing power of the country. In the case of the cities, profits of more than $200.000 were shown against losses of $13,841. Sixteen of the cities showed profits against only five showing a loss, after deduction of construction costs. Losses predominated, however, in the case of the districts. Gains exceeded losses also in the waterworks of the cities by about $40,000, but more cities showed a loss than a gain. In the case of the districts, losses heavily predominated, being $189.624 against $4.732 after deducting construction costs. Taking all the municipalities, this resulted in a net loss nearly double the net gain.

The total reduction affected in the debenture debts of the municipalities during the year amounted to $170,000. The total debenture debts of the cities amounted to $71,110,834 and that of the districts, $24,995,316, making a total of $96.106.251. Adding to this sundry outstanding debts, exclusive of shortage in sinking funds, the total indebtedness amounted to approximately $100,000,000.

While there is an evident material improvement in the face values of the sinking funds of the various municipalities, both cities and districts, the actual additions on sinking funds are not as great as indicated. Some of the municipalities brought their sinking funds up to a better position, but what is more important in actual totals is the fact that a number of them have written the value of the sinking fund securities up to par. This, however, gives a misleading impression of the progress that has been made during the year. Furthermore, there is a possibility, always, that securities may be sold in favor of something offering a higher yield, in which case the securities would be sold at current prices. The present writing up process would then have to be reversed. In any case, there is no apparent reason for this evident attempt to create fictitious values in order to increase the borrowing possibilities of the municipalities. Taking the actual figures, the cities showed a total sinking fund shortage of $3,172,384 while the aggregate surpluses amounted to $106.866 as against shortages of $3,281,647 and a surplus of $99,228 at the end of the previous year. In the case of the cities, there were twelve shortages and sixteen surpluses, while the district showed five shortages and twelve surpluses.

Although the reduction in tax arrears was small, it was in the right direction, and is particularly gratifying in comparison with the amount outstanding some years ago. The aggregate now outstanding is $5,278,615 while in 1918 it stood at $14,624.724, since which time there has been a steady annual reduction. The cities are entirely responsible for the reduction in tax arrears, since both the districts and the villages showed an increase, which, however, was small in both cases.

A review of the standing of the Alberta municipalities will appear in this column next week and of the other provinces later.

This Week's Bond Sales

TILLSONBURG BONDS

A $20,000 issue of 30-instalment, 5 per cent. bonds were sold by the town of Tillsonburg to J. L. Goad & Co., at 104.60, which represents a yield of about 5.10 per cent. The bids were:

J. L. Goad & Co.	104.60
Municipal Bankers	104.55

KAPUSKASING BONDS

An issue of $80,000, six per cent., twenty-year debentures of the Village of Kapuskasing has been awarded to Matthews and Co. The issue is guaranteed by the Province of Ontario. The price received was 107.64. Other bids were:

Wood. Gundy & Co.	106.87
Fry, Mills, Spence & Co.	106.77
McLeod, Young, Weir & Co.	106.69
C. H. Burgess & Co.	106.57
Dyment, Anderson & Co.	106.16

STAMFORD BONDS

An issue of $83,000 five per cent. thirty year debentures of Stamford Township Schools was awarded at a price of 99.44 to McLeod, Young, Weir and Co. Other bids were:

Municipal Bankers Corp.	99.08
Gairdner, Clark and Co.	99.173
Matthews and Co.	99.33
Bell, Gouinlock and Co.	98.68
A. E. Ames and Co.	98.79
Wood, Gundy and Co.	99.07
C. H. Burgess and Co.	99.12
Dyment, Anderson	99.137

QUEBEC REDUCES HER TOTAL FUNDED DEBT

Ordinary Receipts Are Well Maintained and Expenditures Generally Kept Within Bounds

According to a statement just issued by Hon. Jacob Nicol, secretary of the Province of Quebec, the net funded debt of the province now stands at $62,363,104 which is a per capita debt of $27, and marks a substantial reduction from last year. The total funded debt of the province amounts to $81,944,926 but from this must be deducted $4,706,821 which represents sinking funds invested as well as $14,875,000 as deferred payments in connection with debentures issued to La Banque d'Hochelaga. Temporary loans and deposits were made during the year by the government to a total of $6,393,893 bringing the grand total up to $68,756,998.

The financial statement shows receipts, both ordinary and extraordinary, for the year ending June 30, amounting to $50,318,768 of which ordinary receipts amounted to approximately half the total, on slightly more than $25,000,000.

Among the items which fall under the classification of extraordinary receipts were $785,784 from the Good Roads Act, $1,306,498 from the Public Charities Fund and $29,000 from collection of tolls on the Ile Perrot bridges. Under the heading of ordinary receipts are administration of justice $803,914, collection of taxes on commercial corporations, $2,461,010, gasoline duties and fees, $652,576, other minor revenues, $1,115,974.

The extraordinary expenditures of the province amounted to $50,318,768.32, the ordinary expenditures reaching a little over twenty-four million dollars.

Extraordinary expenditures included $130,929.88 for the Metis River water storage work, $1,811,652.10 for similar work on the waters of Lake Kenogami; $915,050.98 for the construction of the annex to the Montreal Court House; $271,258.52 for the Quebec Court House annex; $549,911.77 for the construction and maintenance of the Ile Perrot bridges; $800,000 for an act to authorize a loan in aid of colonization, and $1,131,711.69 for the public charities fund. The administration of justice, etc., in the province cost $1,790,237.92 during the year, while $4,415,438.49 went towards the public debt, with health works costing $323,063.80. Public works, both ordinary and extraordinary, cost the province $1,729,826.52.

Our Trading Department

At all times we are prepared to submit satisfactory bids for the purchase, in odd lots, of Canadian Government, Municipal and high-grade Corporation Bonds.

The following, amongst others, are securities for which our market facilities will be found most dependable: Quebec Power 6's 1953, Quebec Railway 5's 1939, Mont. Tramways 5's 1941 and 5's 1955, Duke-Price-Power 6's 1949, Belgo Paper 6's 1943, Bell Telephone 5's 1955, Wayagamack 6's 1951 and 6½'s 1930.

Enquiries invited

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6%
First Mortgage Sinking Fund Gold Bonds
Dated April 1st, 1925
Due April 1st, 1945
Denominations: $1,000, $500, $100
Price: 98 and interest to yield approximately
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Company assets, acquired prior to proposed development, have been valued by the Canadian Appraisal Company at over $350,000, for which securities junior to this issue will be outstanding. Assets, upon completion of development now under way, will total $750,000, against bonds outstanding to the amount of $400,000.

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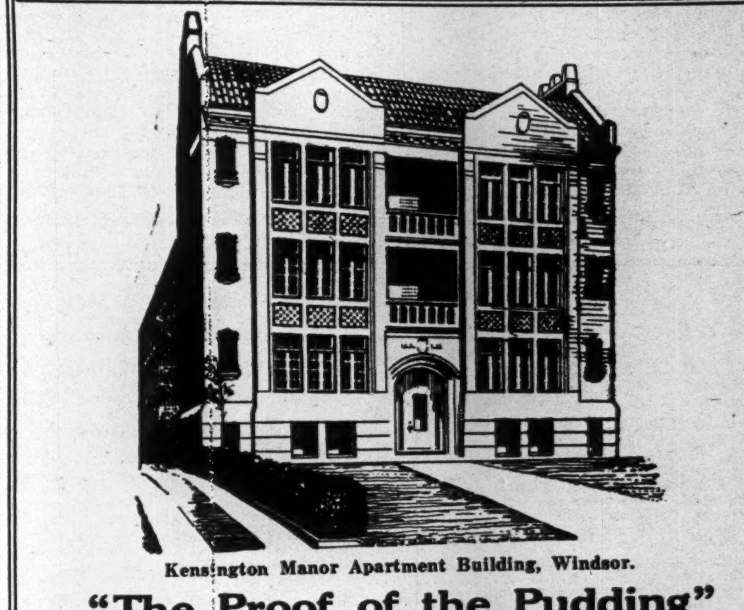

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Issue dated October 20th, 1924.
Amount of issue .... $ 95,000
Appraisal of property 199,000
Property sold August 7th, 1925, for $220,000. Issue sold out.

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Imperial Bk. Bldg., WINDSOR.
297 Bay St., TORONTO.
HOWARD C. WADE, President
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7% UNITED BONDS

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

MUNICIPAL

Place	Date	Sold To	Rate	Maturity	Amount	Price	Yield
Tillsonburg	Aug.	L. L. Goad & Co.	5%	Serial	$20,000	104.60	5.10
Kapuskasing	Aug.	Matthews & Co.	6%	1945	$80,000	107.64	...

Insurance for Buyer and Seller

Cities Get Their Own Fire Insurance Rates by Fires They Have or Don't Have

That every city sets its own fire insurance rates is a fact that is not fully realized. There is a considerable difference in the rate charged in various communities in Canada for fire insurance, and quite often when a city has its fire insurance rates increased there is a public outcry against the companies. It is claimed that they are taking advantage of the city in order to make undue profits.

Always it will be found that the fire loss ratio has been very high in any city where it has been found necessary to raise fire insurance rates. The real remedy would probably lie along the lines of better fire protection or fire prevention service by city officials and business men generally in order to reduce losses.

After all, fire insurance companies only act as clearing houses for losses. They accept the liability in connection with fires in buildings in which they insure. When they have lumped all fires together they establish insurance rates that will bring them the revenue to meet the losses and pay their necessary expenses. Further adjustments are made to allow for the degree of risk incurred.

Losses Determining Factor

Whatever the adjustment that is made, it is always true that the fire insurance company is controlled in the establishment of rates by the losses that have been incurred. In prosperous times, when prices are rising and insurance losses are low, the company makes profits. In times like the present when prices are declining and business is not on a very favorable basis, prices are high and the fire insurance companies are in many cases actually losing money. Over a term of years or so the profits they earn are, they claim, moderate, and the margin is probably about five per cent. on the money handled by the company, which can hardly be regarded as too great a charge for the service rendered. In the past few years, insurance rates have shown a tendency to decline throughout Canada. According to the 1924 blue book of the Dominion superintendent of insurance, the average rate of premiums charged per cent. during 1924 was 1.02, and in 1923 it was one per cent. This is the lowest point reached in years.

In determining insurance rates fire insurance companies have to work out, first of all, a budget from which they operate. First comes the expense of doing business, which varies with the different companies, and is usually in the neighborhood of 45 per cent. of the premium. The expense ratio is a fairly fixed amount.

The Big Variable Factor

Then the budget must provide for the value of insurance property destroyed by fire. This is not by any means a fixed amount and is capable of great reduction in Canada, if only progress is made in fire prevention and fire protection work. In 1924, the average loss was about 60 per cent. and in the previous year about 67 per cent. It is obvious that when the loss ratio runs as high as this, the companies cannot make any money and must charge increased rates or draw in profits of previous year to meet expenses.

The business of fire insurance consists of the collection of small amounts from many insured in payment to a relatively small number of those losing by fire. These losses and expenses plus a moderate profit are the determining factors in fire insurance rates.

Yield on Monthly Income Plan Compares Well With Securities

Monthly income insurance has made such progress in the past four or five years that it is pertinent to stress one important feature of it. This is a question of whether it is actually more profitable for the beneficiary, let us say the widow of the insured, to have the proceeds of the life insurance policy left in trust with the insurance company or to have its investment in some other way provided for. And the important question in any such discussion is: "What rate of interest does the life insurance company pay on the capital value of the monthly income policy?"

Whether the policy is for an even capital value, such as $5,000 or $10,000, or is for an even monthly payment, such as $50 a month or $100 a month, the rate of interest paid by the company on the value of the policy is the same. In Canada it averages about 5 per cent. Some of the companies are paying as low as 4.8 per cent., these being chiefly the foreign companies in the field. Other companies have raised the return above 5 per cent., and are paying around 5¼ per cent. On the whole, though, the average is 5 per cent., and this is the exact rate paid by a number of the companies. This is determined by the rate on which the policy is based plus additional profits. Some companies have calculated their income policies on a basis of 3½ per cent. To this they are adding 1½ per cent. per annum, by way of dividends, this bringing the return to the beneficiary to 5 per cent. per annum on amounts of insurance bought and paid for by the insured while he was alive.

A Very Favorable Rate

This rate compares very favorably with the return that can be obtained in any other manner. Victory bonds at the present time yield a little over 4½ per cent. The best provincial and municipal issues can hardly be obtained to yield over 5 per cent. Usually the widow or the beneficiary is not versed in financial matters, and could hardly obtain much over 5 per cent. with complete safety and freedom from management, constant reinvestments, and the possibility of loss. The 5 per cent. paid by the insurance company is a very fair return. It is safe and sure; it is definite and cannot be tampered with, and it is quite free from the possibility of loss.

What the rate of return will be in the future is problematical. It may be taken for certain, though, that it will follow the general trend of investment yields. If bond prices and stock prices rise further, so that the yield to the investor is less than is obtained under present conditions, then the dividends paid by the companies will have to be smaller. If on the other hand investment yields are larger, the companies will themselves benefit in their own investments and will pass along the benefits to the holders of monthly income policies, at the same time that they pass them along to the other holders of their life insurance policies in the form of bonuses or dividends.

Growing in Popularity

It is only three years since the monthly income policy began to be popular, but it is already a big feature with every company. The superintendent of agencies of one company was able to state some time ago that monthly income idea advertisements have brought more replies than any other form of publicity to the general public. They also sold life insurance to a larger proportion of these enquiries than to any other prospects.

A feature of these policies that has helped to make them popular is the fact that under the Dominion income tax the beneficiary may deduct the continuous instalments from income tax when calculating Dominion income tax.

This, of course, would apply only to the definitely arranged monthly income policy. A monthly income cheque covering interest on the proceeds of a policy held in trust under one of the ordinary policy's options would not be exempt from this tax.

The Record of Fire Losses in Canada

Place	Property	Date	Loss	Insurance	Cause
Nova Scotia					
Acadia	F. Regan, res.	Aug. 4	consider'ble	partial	def. flue
New Brunswick					
Gunningsvale	B. Chapman, barn & crop	Aug. 5	total	partial	unknown
Kingston	F. Paddock, barns	Aug. 10	total	......	lightning
Ontario					
Omemee	G. Reed, barn & crop	Aug. 7	total	partial	unknown
King's Wharf	J. C. O'Leary, store and res.	Aug. 6	consider'ble	partial	explosion
Brigden	F. McKenzie, barn	Aug. 5	total	......	lightning
Orford Twp.	J. McCann, barn & crop	Aug. 6	total	......	unknown
Perth	J. Bennett, kitchen, stable & garage	Aug. 1	1,000	small	unknown
Rossmore	H. Thompson, res.	July 30	heavy	......	unknown
Glencoe	M. Galbraith, barn	Aug. 5	5,000	1,500	unknown
Goderich	L. L. Knox & Dr. Hunter, barns	Aug. 4	consider'ble	partial	unknown
Toronto	C. Reed & G. E. Howarth, bldg.	Aug. 7	1,000	......	unknown
Arnprior	Misses Morgan, barn	July 30	total	......	......
Schreiber	Mr. Louma, res.	Aug. 4	consider'ble	......	unknown
Aylmer	Exhibition stables	Aug. 6	4,000	......	unknown
Kirkland Lake	Mr. Hurtibese (one death) building	Aug. 5	total	......	unknown
Laird	J. Locuvicho, barn	Aug. 1	total	......	unknown
London	B. Matthews, bldg.	Aug. 8	consider'ble	covered	......
Toronto	Apex Cloak Co., bldg.	Aug. 11	3,000	covered	......
Seaforth	J. M. Eckart, barn & crop	Aug. 2	heavy	partial	lightning
Copper Cliff	International Nickel Co., stor'h's	Aug. 7	150,000	......	explosion
Windsor	Firth Bros., store	Aug. 9	10,000	......	unknown
South Dummer	Cheese factory	Aug. 10	total	......	......
Owen Sound	J. C. Lougheed, bakery	Aug. 9	800	......	......
Dunnville	J. H. Jones, barn & crop	Aug. 10	5,000	partial	spark
Thamesville	I. McCann, barn & crop	Aug. 6	total	......	unknown
Midland	T. Moore, res.	Aug. 12	heavy	covered	......
Bracebridge	S. Miles, barn and crop	Aug. 6	total	partial	lightning
Fort William	W. G. O'Connor, barn (1 death)	Aug. 15	total	......	......
Harrow	Harrow Creamery	Aug. 13	total	......	unknown
Toronto	Mrs. G. Williams, planing mill, chute	Aug. 16	1,400	......	spon. c.
Muskoka	Dr. W. B. Seaton, summer res.	Aug. 14	3,000	2,000	unknown
Manitoba					
South Transcona	G. Manning & H. Henry, houses	Aug. 5	4,100	partial	......
Melita	A. Baxter—Barn and hay	Aug. 7	4,000	covered	......
Winnipeg	E. Kildonan, res.		700	......	unknown
Quebec					
Quebec	St. Michel Archange bldg.	Aug. 8	1,500	......	......
Berthier	R. Casaubon, res.	Aug. 6	consider'ble	covered	......
St. Maurice	E. Grondin, barn	Aug. 8	total	partial	def. elec.
St. Ignace-du-Lac	J. Prudhomme, res.	Aug. 11	total	......	......
Ile Perrot	Carriage shop	Aug. 10	heavy	......	unknown
Riviere-Du-Loup	J. A. Pelletier, garage	Aug. 11	10,000	......	......
Dorval	Elm Ridge Golf Club	Aug. 11	3,000	......	......
Eastman	E. Bobo, res. (one death)	Aug. 10	total	......	explosion
Saskatchewan					
Chaplin	Business section	Aug. 10	76,000	small	unknown
Indian Head	Linnett Block	Aug. 1	consider'ble	partial	......
Tompkins	N. Hokins, Threshing Outfit and bunk car	Aug. 4	heavy	......	unknown
Stony Beach	A. Young, barn	Aug. 2	consider'ble	......	......
Moose Jaw	Peerless Service St'n., bldg. and contents	Aug. 7	1,000	partial	......
Estevan	G. Weinrouth, barn and horses	Aug. —	total	......	unknown
Yorkton	Betts Ave., barn	Aug. 10	800	covered	unknown
Canora	J. D. Rees, barn	Aug. 10	4,000	500	lightning
Canora	P. Cheropita, res.	Aug. 10	2,000	none	unknown
Regina	Co-operative Elevator bldg.	Aug. 10	13,000	......	......
British Columbia					
Antler Creek	A. Campbell, res.	Aug. 5	total	......	lamp
Cranbrook	Cranbrook Brewery	Aug. 4	35,000	20,000	......
Kaslo	Orchard & Son, box factory	Aug. 2	heavy	......	......
Vancouver	National Canners, Ltd.	Aug. 1	250,000	......	......
Sooke Lake	Echo Mills, plant	Aug. 2	8,000	......	......
Kamloops	J. Milton Est. warehouse	Aug. 3	5,000	partial	......

ARE FIRE AGENTS NOW PUSHING OTHER LINES?

Such is Situation Across the Line — Is it Extending to Canada?

Fire insurance is going through some peculiar changes across the line the full effect of which is perhaps not fully appreciated. One of these is that fire insurance is becoming the "side line" in many offices where it used to be leader. An officer of a fire company which has no casualty running mate said recently:

"In many of our agencies casualty insurance and suretyship have become the leading business. This is especially true in the larger cities. Often the older members of the firm are devoting their attention to fire insurance, while the younger and more energetic members are the casualty and surety men and they are earning the larger portion of the commission of the agency.

"Every little while special agents report to us that an agent has resigned all his fire companies except one which has a casualty running mate. In some instances the agent has been given a general agency of the casualty company, with the higher commissions which go with such an appointment. Apparently the course open to the fire companies is to organize casualty running mates and thus furnish their agents facilities for earning large incomes or to develop the side lines of fire insurance to the utmost."

This experience of holding a subordinate position is a relatively new one to fire insurance companies and tends to place them under the disadvantages from which the casualty companies so long suffered. Years ago, when many branches of casualty insurance were not well organized and rates were unstable, it was not at all uncommon for agents to cut the rates on these classes as deeply as their companies would permit in order to influence fire lines and to pay brokers for casualty business almost the entire commission the agents received. Often, also, agents used money collected for casualty premiums with which to meet first their balances to their fire companies because it was more important to remain in their good graces than in those of their casualty companies.

Insurance men are wondering if Canada will see a similar change.

Municipalities Can Insure Against Highway Claims

Public liability insurance for municipal corporations against highway accidents is being probed by insurance corporations in Canada.

A few of the actual cases covered are as follows:

Snow or ice or any obstruction on all sidewalks bordering the roads. Sixty-six feet road allowance passing through unincorporated villages under the jurisdiction of the assured; unguarded ditches; defective culverts; insufficient or no guard rail on bridges; skidding over unballasted curves or turns in the roadway; steam rollers, scrapers, tractors or any obstruction on highway; holes in roadway or bridges; lights going out on or being stolen from any barricade erected while repairing roadway; the risks involved in dangerous detours; wash-out on roadway; and trees, telegraph poles falling over highway.

Premiums are based on pay rolls plus a rate per mile. In case of loss the companies will pay to the following limits:

In the case of injury to any one person, $5,000.

In the case of injury to more than one person, but the result of one accident, $10,000.

In the case of all property damage the result of one accident $1,000.

In addition to the above all legal costs of any action for damages brought against the assured are borne by the companies.

The New Convenient Way

Many people are now taking life assurance under the convenient "Salary Savings Plan" offered by the Sun Life of Canada.

Through co-operation, the employer makes monthly deposits, deducted from wage or salary, instead of annual deposits which many salaried employees find it difficult to accumulate.

Life assurance on the plan that suits you—Medical examination waived in most cases.

Ask a Sun Life representative

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE : MONTREAL

Low Premium Rate Makes This Endowment Interesing

The Excelsior Life Insurance Company is offering an endowment policy that provides exceptionally low rates. These are made possible by providing for re-payment as an endowment at 85 and for non-participation in dividends during the first 15 years.

This policy does not participate in profits during the first fifteen years from date of issue. Thereafter profits will be paid annually commencing at the completeion of the sixteenth year. Profits may be taken in cash or applied to purchase a bonus addition to the policy.

POST-Scripts

A SCHOOL master in an Ontario town retired after a life of service. Probably he never received a salary over $2,000 a year. Idleness began to bore him and he accepted the suggestion of a bond salesman friend of his that he should try to interest some of his friends in the firm's various investment issues. His friends trusted him and bought from him. He in turn handled only issues that his native judgment told him were sound and assured. He was over-cautious, if anything. Last year he made, 'tis said, $12,000 in commissions.

REFERRING to the recent discussion in Post Scripts of boundary lines peculiarities, the St. Catharines Standard adds this one: "And what of the 'shortest international bridge in the world,' existing in the Thousand Islands, not far from Alexandria Bay? This bridge of only a few feet in length crosses the international boundary which at this point separates an island of fair size from a smaller one under the same ownership. The Union Jack flying from the largest island and the Stars and Stripes from the islet to the south denote the sway under which each comes."

COMMENT was made the other day by a large investor that bond issues were not the water-tight, copper-bottomed affairs they used to be. He instanced half a dozen scattered examples of clauses contained in the trust deeds of some recent Canadian corporation issues, which he considered greatly weakened the security of the purchasers of these issues. They were clauses that were mentioned in the offering circular, but were things that the ordinary investor might not notice at first or even second glance. Yet they very definitely counted for something, and were enough in one case to make cautious or experienced investors hesitate before committing themselves to blocks of the issues.

TWO of Italy's three banks of issue are absolutely unique among such financial institutions, in that nobody owns them. The Bank of Sicily and the Bank of Naples, which with the Bank of Italy furnish the country's currency, are run under government supervision, but they have no stockholders, having been privately founded years ago partly by means of gifts, to correct financial abuses. The government receives a certain share of the profits under the banking law, but the remainder is either placed in surplus or distributed by the officers for public and charitable purposes. The Bank of Italy, the largest of the three, is a joint-stock organization.

HOW many people know how to read a graph correctly? Everyone on picking up a graph follows it along and is usually more intent on looking at the ups and downs rather than the durations of these ups and downs. The point is this, that area makes just as much difference as height or depth. For example, a graph might show the consumption of newsprint on this continent. At one point it might take a considerable dip below what might be termed the normal line of consumption. Now, in figuring out just what effect this drop in the consumption would have on the newsprint companies, not only the drop itself must be taken into consideration, but the area included in the triangle formed by the depression and the normal line of consumption. Therefore, a very slight drop over a long period will have a much worse effect on the industry than a big drop in consumption for, say, only a week or two. In other words, to read a graph correctly, always take into consideration the area covered by any peak or by any valley. Don't fail to read your graph crosswise as well as up and down.

THE
Western Empire
Life Assurance Company

HEAD OFFICE
701 Somerset Building
Winnipeg, Man.

Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

A Contract for Life

Liberal in its terms, fair in its application, with a vested renewal interest based on efficiency and backed by the entire organization of an aggressive company now in its 29th year of successful business.

Men of character and ability will find this contract to be a sound basis for a successful career in Life Insurance salesmanship. Excellent territory available NOW.

The NORTHERN LIFE ASSURANCE COMPANY OF CANADA ESTABLISHED 1897
LONDON, ONT.
C. R. SOMERVILLE, President. R. C. MACKNIGHT, Gen. Manager. 2

THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agencies

Best of them All

There are many safe and profitable investments, but none can "hold a candle" to Life Insurance for protection and service.

Great-West Life

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$85,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary W. H. HUNTER, President ALEXANDER STEWART, Treasurer

THE MONARCH LIFE IS A GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

Safeguards capital and income

Insurance protects you from financial loss occasioned by fire, accident, sickness and theft. It helps to keep your savings intact and it maintains your salary when you are incapacitated. Have you adequate protection for yourself, your property and your automobile?

THE BRITISH AMERICA ASSURANCE CO.
OF TORONTO
ESTABLISHED 1833

Attention Credit Men—

One of the most helpful and constructive business forces at your disposal is

Credit Insurance

First, Credit Insurance is *absolute protection*, at a nominal cost against excess loss by insolvencies which cannot be foreseen or forestalled.

Second, Credit Insurance reduces your firm's *normal* credit loss, through a collateral collection service which frequently saves many times the moderate premium paid for the policy.

Third, Credit Insurance is a vital aid to your department because of its valuable suggestions as to the proper limits of credit on each rating, where the normal loss is highest, etc.

You can make Credit Insurance as issued by this company the most helpful aid in your department. Will you let us give you the details? No obligation. Write or phone today.

CANADIAN DIVISION
The AMERICAN CREDIT-INDEMNITY COMPANY
of New York J. F. McFadden, President
R. J. Mullen, General Manager for Canada
Toronto Office, Excelsior Life Bldg., Phone—Main 4181.
Montreal, Canada Cement Bldg., Phone—Uptown 3955.
JR426

WEST HARVESTING IN ALL DISTRICTS; SOME AREAS LOSE

Rust, Heat and Sawfly Took Toll and Reduced Yield

REGINA, SASK.—Harvesting operations are well advanced over the entire province, according to telegraphic reports received by the statistics branch of the department of agriculture. Cutting was general in the southwestern districts, centering around the second week of August. In the southeastern, central and northern districts, cutting will be general about August 17. The crop generally is in good condition, although heat ripening before the grain was properly filled has reduced the prospects of a large yield, except in the northern districts. Uneven maturing is in evidence over the province in general. Late sown wheat and coarse grains have suffered considerably from lack of moisture during the period of filling. Rust was the principal destructive agency in the southeastern district. Sawfly also caused extensive damage in the south-central part. A severe hail storm completely destroyed several crops in the extreme northwestern part of the province. Slight frost damage is reported in a few scattered regions. The weather has been generally hot and dry, with the exception of the northern districts where several heavy showers have delayed harvesting operations. Livestock are in good condition, although pastures are beginning to show signs of drying out.

Crop's Troubles Told in Free Press Report

By E. CORA HIND,
Commercial Editor, Manitoba Free Press.

WINNIPEG.—The Manitoba Free Press fifth general crop report which appeared Saturday morning was not so cheerful as one could have wished. It showed that the crop has passed through strenuous times in the last 20 days, and is not wholly cut of the woods yet. It by no means does away with the fact that the prairies will have a lot of wheat, but one or two hail storms have taken heavy toll in the districts visited, but, after all, the areas destroyed are relatively limited. Sawfly has been very busy and has done considerable damage. Its presence is reported from 8 points in Alberta, 45 in Saskatchewan, and 27 in Manitoba.

Damage from this pest is generally reported as slight, but a number of points state the damage to be "considerable" and a few "very bad." Wheat cutting has started in all the provinces, but is by no means general, only 10 points out of 150 heard from in Saskatchewan state cutting now general, and the majority of points declare it will not be general for a week or ten days. In Alberta 24 points out of 78 report cutting general, but these points are mainly in the south and southeast, where crops are light. In Manitoba 17 points out of 87 report cutting as now general, and 22 report not having started.

This indicates that harvesting on the whole is late, though a few points report it earlier than usual, they are much in the minority.

In Manitoba, 58 points report the presence of stem rust and damage all the way from very "slight" to "considerable." The consensus of reports seems to be that while some damage has, and undoubtedly will, be done, that the wheat on the whole is ahead of the rust. Quite a number of correspondents emphasize how badly Marquis wheat is rusted as compared to other varieties. The query as to rust was not sent to Saskatchewan, but, nevertheless, a very large number of points volunteer the information of the presence and development of rust through here, also the opinion maintains among correspondents that while rust may lower the grade, the grain is too far advanced to seriously lessen the yields.

Very little fall rye has been threshed as yet, but the places reporting rye threshed generally add that it has been threshed to reseed.

The amount of barley cut runs all the way from none to 75 per cent. Forty points out of 79 in Alberta report no flax grown. Eleven points state flax to be good and four or five points report flax as poor. Ten points report flax good.

In Saskatchewan 20 points out of 150 report no flax grown; 82 points report flax fair to good, and 26 report flax poor, weedy, or patchy, and some of them report it all three.

With regard to labor supply, Manitoba reports 21 points in need of men, Saskatchewan, 52 points, and Alberta, 20 points, needing men. Quite a number of Alberta points state that labor will be plentiful owing to the fact that mines are not working.

In the column for remarks there appears frequently the statement that both yield and grade have suffered from the heat and dry weather in the latter part of July and beginning of August.

The questions asked correspondents were:

Would rain now benefit late crops?

Is there much sawfly damage?

What percentage of wheat has been cut?

When will wheat harvest be general?

Has any winter rye been threshed?

What percentage of barley has been cut?

What is the condition of flax?

What is the outlook for labor supply?

And, in Manitoba, has black stem rust done any damage in your district?

In reply to the query as to benefit of rain now, 74 points in Saskatchewan state that rain would be a great help to the filling of late grain, many adding the rider that even if it delayed cutting, rain would be welcome. In Alberta, 32 points would be benefited by rain at the present time and in Manitoba, 22 points would be helped by rain if it came now.

Possibly the greatest surprise of the report is the spread of rust in weather that has been distinctly unfavorable to its development, namely, very cool, almost cold, nights.

Senator White Joins Metropolitan Life Co.

The executive of the Canadian head office of the Metropolitan Life has recently added to its personnel, Col. Hon. Senator Gerald White, who will become supervisor in the group insurance division. Senator White possesses a wide business experience; he is personally connected with numerous important industries throughout Canada; he has devoted in the past much of his attention to the general welfare of the industrial classes. He is a capable, shrewd and successful businessman, always seeking new fields for his activity. Very energetic and enthusiastic, Senator White will no doubt carry his new work to a successful issue.

Senator White is the son of the late Senator Peter White, at one time Speaker of the House of Commons. He was born in Pembroke in 1879. He is a graduate of McGill University, a Bachelor of Science in mining engineering. He is a director of the Steel Equipment Company of Canada; vice-president of the Sterling Development Company of Canada; vice-president of the W. C. Hughson Company, of Ottawa.

Colonel White served at the front in the Canadian forces until the end of the war.

After the death of his father, in 1904, Colonel White was elected in a by-election to the House of Commons. He was re-elected in 1906 and 1911. In 1917 he was not a candidate, being overseas. In 1919 he was summoned to the Canadian Senate.

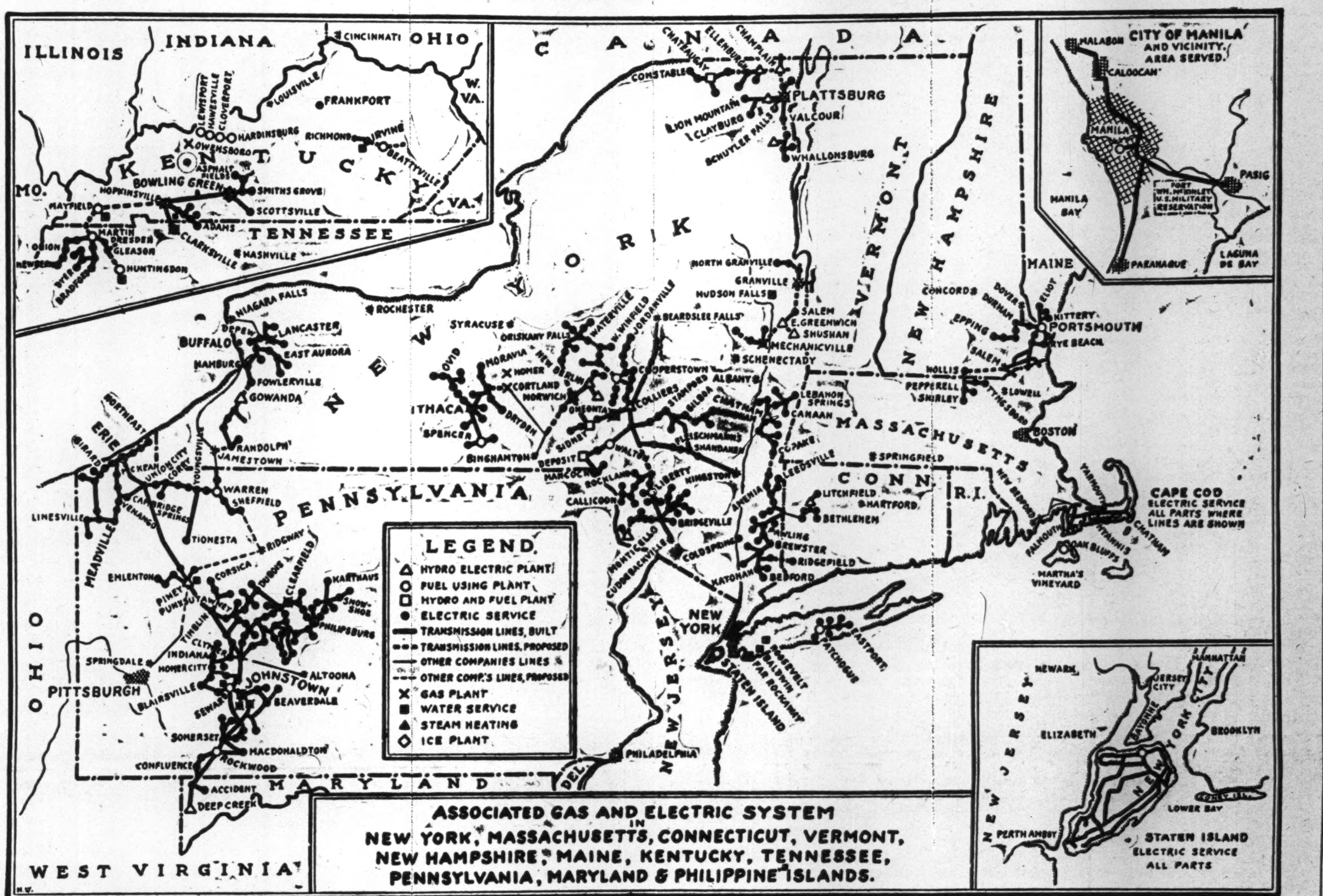
North American Life Will Erect $1,000,000 Office

The North American Life Assurance Co., 112 King Street West, Toronto, contemplate the erection of an office building on North Yonge Street, between Jackes and Woodlawn Avenues, at a cost of $1,000,000 or more.

O. B. Shortley, Toronto manager, in discussing the project said: "It is perfectly true that the new headquarters of the firm is to be erected shortly. The building will be one of the finest in Toronto."

Associated Gas and Electric Company

Public Service to 2,000,000 Population with 300,000 Consumers in 900 Communities



ADDITION OF PENN PUBLIC SYSTEM

Associated Gas and Electric Company has just completed arrangements for the addition to its system of the Pennsylvania Electric Corporation properties, long known as the Penn Public System, covering approximately one-sixth of the state of Pennsylvania and serving over 350 communities with a total estimated population of 875,000.

Associated Gas and Electric Company, a New York Corporation formed in 1906, and its subsidiary and affiliated companies, including the Penn Public System, own, control or operate all the properties shown on the map above supplying electric light and power, gas and miscellaneous service to over 900 communities in 11 leading eastern States and the City of Manila. The total estimated population served is 2,000,000; the number of consumers is in excess of 300,000.

POWER RESOURCES

Power resources and transmission equipment are the backbone of an electric property. The properties include hydro-electric and steam generating power stations with over 325,000 H.P. installed capacity; 2,500 miles of high tension transmission lines with additional lines under construction. Gas plants in the system have a daily capacity of 4,535,000 cu. ft. and over 300 miles of gas mains.

The Pennsylvania Electric acquisition brings into the Associated System the Clarion River and Youghiogheny hydro-electric projects with 48,000 H.P. present installed capacity and steam generating stations having installed capacity of over 140,000 H.P., several of which are located at mouths of coal mines owned by the Company.

GROWTH IN EARNINGS

The various properties have made large strides in recent years both in the development of their territories and in operating efficiency. **Gross earnings have increased nearly 50% since 1920 and net earnings have more than doubled.** The geographical distribution of these properties and the diversity in urban and semi-rural business are significant factors of stability. Of the net earnings for the 12 months ended May 31, 1925, 80% was derived from electric light and power operations. The total investment of the various operating properties is upwards of $175,000,000.

MANAGEMENT

The Associated properties are supervised by The J. G. White Management Corporation, which has a long successful experience in the management of public utilities in various sections of the United States, including the state in which the recently added Pennsylvania property is located. The Associated companies enjoy excellent relations with their consumers. A majority of the 23,000 stockholders of the companies are customers of the various properties.

The broad expanse, important power resources and distribution facilities of the Associated Gas and Electric System, and its steady growth both in physical property and earnings have been attained through a conservative financial structure comprising securities of established investment merit.

The Company is now offering rights to its stockholders in connection with a new security, the warrants for which include new common stock and rights to purchase additional common stock. Further information regarding the securities of the Company will be supplied on request.

Associated Gas and Electric Company

61 Broadway, New York, N. Y.

July Building Slightly off as Compared With Totals for June

Building in Canada in July, according to building permit figures, was slightly off as compared with June but higher than July, 1924. This applies generally as the same result is shown in detailed figures for 46 large cities and in the totals for 60 cities.

Taking the seven month period July stands well ahead of July, 1924, but $8,500,000 below 1923. There were no outstanding gains or losses during July, the month being quite ordinary. Montreal and Toronto compare favorably with a year ago, while Quebec City shows considerable improvement.

The figures by provinces for July, 1924 and 1925, and June, 1925, along with seven month total for 60 cities, follows:

	July, 1925	June, 1925	July, 1924
Nova Scotia	$ 40,720	$ 47,105	$ 24,015
New Brunswick	29,575	182,270	799,581
Quebec	4,867,433	4,553,828	3,643,368
Ontario	5,510,441	6,302,996	5,127,321
Manitoba	515,112	612,635	438,115
Saskatchewan	169,800	396,098	173,415
Alberta	283,910	356,185	361,370
British Columbia	1,220,560	2,200,496	956,131
60 cities	12,637,551	14,651,613	11,526,316
	1925	1924	1923
60 cities, 7 months	77,300,400	71,383,847	85,882,727

Detailed figures for 46 cities follow:

Eastern Cities

	July, 1925	July, 1924	Change	7 months 1925	7 months 1924	Change
MARITIMES—						
Halifax	$ 36,220	$ 13,260+	$ 22,960	$ 861,872	$ 523,062+	$ 338,810
Saint John	9,000	788,156—	779,156	714,530	1,010,106—	295,576
Sydney	3,875	10,400—	6,525	16,116	91,027—	74,911
Moncton	8,270	2,510+	5,760	59,085	54,489+	4,596
QUEBEC—						
Montreal	3,098,009	2,922,665+	175,334	14,582,567	14,170,780+	411,787
Quebec	1,000,149	218,338+	781,811	2,335,556	3,419,733—	1,084,177
Sherbrooke	500,000	66,000+	434,000	685,260	484,925+	200,335
Westmount	236,900	262,875—	25,975	1,997,767	1,348,891+	648,876
ONTARIO—						
Brantford	18,678	10,665+	8,013	96,022	142,383—	46,361
Chatham	10,465	......+	10,465	......	......	......
Galt	7,490	13,290—	5,800	90,289	86,002+	4,287
Guelph	30,200	32,110—	1,910	284,463	255,271+	29,192
Hamilton	229,700	363,925—	134,225	1,746,350	2,219,550—	473,200
Kingston	27,630	116,047—	88,417	223,069	853,380—	630,311
Kitchener	162,408	59,824+	102,584	1,022,267	782,092+	240,175
Niagara Falls	101,350	74,745+	26,605	613,040	383,115+	229,925
Oshawa	45,945	82,425—	36,480	335,345	505,485—	170,140
Ottawa	418,220	238,900+	179,320	......	......	......
Owen Sound	14,660	......+	14,660	......	......	......
Peterborough	36,751	75,281—	38,530	174,367	251,576—	77,209
Port Arthur	30,215	23,225+	6,980	298,456	1,132,622—	834,166
Sarnia	20,885	19,015+	1,870	409,203	455,103—	45,900
Sault Ste. Marie	27,105	89,360—	62,255	160,875	283,267—	122,392
Stratford	37,080	110,921—	73,841	299,870	503,212—	203,342
St. Catharines	112,500	51,613+	60,887	445,759	495,097—	49,346
St. Thomas	15,085	2,880+	12,205	120,171	107,966+	12,205
Toronto	2,681,772	2,370,715+	311,057	15,680,405	13,378,318+	2,302,087
Welland	14,180	5,275+	8,905	73,070	77,045—	3,975
Woodstock	7,132	25,576—	18,444	52,236	172,918—	120,682
York Township	388,600	329,400+	59,200	2,688,300	2,230,950+	457,350
Total 30 East cities	$9,330,474	$8,379,396+	$951,078	$46,066,310	$45,418,365+	$647,945

Western Cities

	July, 1925	July, 1924	Change	7 months 1925	7 months 1924	Change
MANITOBA—						
St. Boniface	$ 62,176	$ 63,415—	$ 1,239	$ 733,814	$ 305,165+	$ 428,649
Winnipeg	446,000	379,650+	66,350	2,858,940	2,140,650+	718,290
Brandon	6,936	4,050+	2,886	63,088	193,696—	130,608
ALBERTA—						
Calgary	114,825	163,325—	48,500	759,075	668,555+	90,520
Edmonton	138,025	190,775—	52,750	901,655	1,989,665—	1,088,010
Lethbridge	22,880	5,055+	17,825	117,539	82,337+	35,202
Medicine Hat	8,180	2,215+	5,965	14,195	97,787—	83,592
SASKATCHEWAN—						
Prince Albert	1,445	24,450—	23,005	21,965	69,661—	47,696
Regina	84,200	63,895+	20,405	746,423	635,800+	110,623
Saskatoon	74,570	52,310+	22,260	708,557	957,705—	249,148
Yorkton	2,000	200+	1,800	31,026	23,960+	7,066
Moose Jaw	11,030	10,710+	320	191,575	389,741—	198,166
BRITISH COLUMBIA—						
New Westminster	111,860	14,705+	97,155	351,615	196,525+	155,090
Point Grey	362,400	453,600—	91,200	3,467,900	2,559,200+	908,700
Vancouver	470,480	352,168+	118,312	5,369,233	4,489,429+	879,794
Victoria	18,940	35,139—	16,199	267,079	450,577—	183,498
Total 16 W. cities	$ 1,935,947	$1,815,662+	$120,285	$16,603,669	$15,295,453+	$1,308,216
Gd. total 46 cities	11,266,421	$10,195,058+	$1,071,363	$62,669,979	$60,713,818+	$1,956,161

Is Lake Superior Corp. Racing Toward Shake-up?

(Continued from page 12)

nothing new in this concern's life. If it comes, some interests will have to suffer, like they have before. In 1904 there was a drastic re-organization. Some of the water was shaken out, but there was a lot left in. Consolidated Lake Superior Corporation, the then holding company, had spent $28,000,000 on its properties, all raised through the sale of bonds, but had outstanding at the time of reorganization $28,000,000 preferred, $72,000,000 common stock. Besides, it owed $5,050,000 borrowed and $1,500,000 in other debts.

Was Over-capitalized

One writer says that it was grossly over-capitalized. Seemingly at that time, there was a strong tendency to make pioneer efforts carry all they would. The corporation was more or less of an accident in the first place. F. H. Clergue, a United States lawyer, was the founder. He is said to have been a man of unbounded imagination, initiative and confidence. His first move at The Soo was to develop some water powers and later got into the pulp business. This was back in 1897. The Sudbury nickel mines were just coming up. There was a move to save the surplus content of these ores, and the residue was found to be a valuable alloy. About this time the Helen iron mine in Michipocoten was found, and Clergue got the idea of producing iron to be used with ferro-nickel. The Lake Superior Corp. was the result and it was capitalized at $20,000,000, but when the iron mine was purchased, they took this as justification to raise the capital to $35,000,000 preferred and $82,000,000 common. Later came the Algoma Steel with $10,000,000 capital, and other subsidiaries followed rapidly. At one time there were 13 subsidiaries.

Steel making became the big thing. Clergue did big things. He got the government to stipulate that railways getting subsidies should use Canadian-made rails, but a blow was received when MacKenzie and Mann purchased rails for the C. N. R. away below Clergue's price, in Germany. Then they found that the Helen Mine ore was not a Bessemer ore. There were rail orders available but they could not be filled. Proper ore was later available, but about this time a loan from Speyer & Co., New York, became due and couldn't be paid. Then came a receivership, but the company was ultimately rescued. Shareholders were assessed $3 per share and given income bonds (those due Oct., 1924, but extended 5 years) and the Ontario government helped in the underwriting deal for the new and needed finances by guaranteeing $2,000,000 bonds.

Continued to Expand

Since then the company has gone along its devious ways, always reaching out and expanding. It has been materially assisted by land grants of around 5,000 acres per mile for its railways, but even these have not thrived and there are heavy arrears of interest. It is understood that the Chicago interests, who offered to put $25,000,000 new cash up, if the bondholders would subjudicate their bonds and take preferred stock with dividends in part deferred, are still open to deal. But there is some conflict. It is said that the bondholders are mostly in England, and they have held off, believing that the company might pass its interest and they could swoop down on the proposition. It is stated that fear of this has kept the Philadelphia interests awake nights. They have always been able to meet the interest charges to date, but it is said that on several occasions they came so near to passing it, that there were some very uncomfortable times.

Varied congratulatory references have been made as to the efficiency of the big steel enterprise, with its limited scope. New tonnage records are frequently made in the steel mill, and are evidence of what could be accomplished if there was an unlimited market for the company's product. The same with the railroad. Lessons in service and courtesy could be learned by larger lines from this backwoods system.

ACCIDENTS WILL HAPPEN

How Africa's Diamond Mines Were First Discovered

In 1867 a child was playing with a pebble on the bank of the Orange River when a visitor, a Dutch farmer, noticed its brilliance. The mother of the child gave the stone to him, and he, in turn, showed it to a trader, who sent it to a mineralogist at the Cape, by whom it was pronounced to be a diamond worth $2,500. That event marked the birth of the mining industry of South Africa.—T. A. Rickard in Mining Journal Press, New York.

Barcelona Traction, Light & Power Company, Limited

(Incorporated under the Laws of Canada)

Notice is hereby given that the Board of Directors of the Barcelona Traction, Light & Power Company, Limited, have declared a dividend of one and one-half per cent. on the 7 per cent. Non-Cumulative Participating Preference Shares of the Company, payable on the 30th September, 1925, to all Shareholders of record at the close of business on the 15th September, 1925.

Dated at Toronto, Canada, 20th August, 1925.

R. K. MERRY,
Secretary.

NOTE:

The Transfer Agents of the Company are National Trust Company, Limited, Toronto, Canada.

The London Agents of the Company are the Canadian & General Finance Company, Limited, 3 London Wall Buildings, London, E.C. 2.

Lake of the Woods Milling Company Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend of 1¾ per cent. on the Preferred Stock of LAKE OF THE WOODS MILLING COMPANY LIMITED, for the three months ending August 31st, 1925, has been declared payable on Tuesday, September 1st, 1925, to Shareholders of record at the close of business on Saturday, August 22nd, 1925.

By Order of the Board,

M. H. HUTCHISON,
Secretary.

Lake of the Woods Milling Company Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend of 3 per cent. on the Common Stock of LAKE OF THE WOODS MILLING COMPANY LIMITED, for the three months ending August 31st, 1925, has been declared payable on Tuesday, September 1st, 1925, to Shareholders of record at the close of business on Saturday, August 22nd, 1925.

By Order of the Board,

M. H. HUTCHISON,
Secretary.

LOBLAW GROCETERIAS Co., Limited

The quarterly dividends of 1¾% on the Prior Preference shares: 3 per cent. on the Second Preference Shares, and 25c. per share on the Common Shares of Loblaw Groceterias Co., Limited, has been declared for the quarter ending August 31st, payable September 1st, to shareholders of record at the close of business, August 17th, 1925.

By order of the Board,

DANIEL URQUHART,
Secretary.

DIVIDEND NO. 140
HOLLINGER CONSOLIDATED GOLD MINES, LIMITED

(No Personal Liability)

A dividend of 1.6% on the outstanding capital stock of the Company has been declared payable on the 9th day of September, 1925, on which date cheques will be mailed to shareholders of record at the close of business on the 24th day of August, 1925.

DATED the 14th day of August, 1925.

I. McIVOR,
Assistant-Treasurer

Canadian Car & Foundry Company, Limited, Montreal

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) upon the paid-up Preference Stock of the Company for the quarter ending September 30th, 1925, has been declared payable on the 9th day of October, 1925, to Shareholders of record on the 25th day of September, 1925.

By Order of the Board.

A. C. BOURNE,
Secretary.

Montreal, August 14, 1925.

Security Salesman Wanted

To an experienced young salesman of the highest classes of investments, who has a personal clientele, proved record of production and some office experience, an opportunity is presented to enter into a financial partnership with an experienced, well educated, business executive, possessing good connection and necessary capital. References required and given. Replies held in strictest confidence.

Box 230 *Financial Post TORONTO, ONT.*

THE EASTERN CAR CO., LTD. BONDS.

Notice is hereby given that The Eastern Trust Company, under the provisions of the Mortgage, dated the First day of July, Nineteen Hundred and Twelve (1912), to secure the bonds of The Eastern Car Company Limited, will receive offers at their Halifax Office up to noon on Tuesday, the First day of September, 1925, from persons willing to sell the whole or any part of the bonds of the said THE EASTERN CAR COMPANY, LIMITED, purchasable by the Sinking Fund payment of $18,340.00.

Parties offering to state amount of bonds and price delivered at Halifax.

This Company does not bind itself to accept the lowest or any tender.

THE EASTERN TRUST COMPANY,
Trustee.

Halifax, N.S.,
August 6th, 1925.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this institution has been declared for the current quarter, payable on and after Tuesday, the FIRST day of SEPTEMBER next, to Shareholders of record of 31st. July, 1925.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 21st. July, 1925.

The Canadian Bank of Commerce

Dividend No. 154

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1925, payable at the Bank and its Branches, on and after Tuesday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1925. The transfer books will not be closed.

By Order of the Board.

JOHN AIRD,
General Manager.

Toronto, 17th July, 1925.

The Bank of Toronto

Dividend No. 176

Notice is hereby given that a Dividend of Three Per Cent., for the current quarter, being at the rate of Twelve Per Cent. per annum upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the first day of September next to the Shareholders of record at the close of business on the 15th day of August, 1925.

By order of the Board.

JOHN R. LAMB,
General Manager.

The Bank of Toronto, Toronto,
July 15th, 1925.

The Bank of Nova Scotia

Dividend No. 223

Notice is hereby given that a Dividend of 4 per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending September 30th, 1925, and that the same will be payable on and after Thursday, the first day of October next, at any of the offices of the Bank in Canada.

The Stock Transfer Book will be closed from the 16th to the 30th proximo, inclusive.

By order of the Board,

J. A. McLEOD,
General Manager.

Halifax, N.S., August 13th, 1925.

TENDERS FOR PULPWOOD AND TIMBER LIMITS

TENDERS WILL BE RECEIVED by the undersigned up to and including the 10th day of September, 1925, for the right to cut pulpwood and such other classes of timber, as the stipulated conditions may require on certain areas situated in the following regions;—

(1) The East and West sides of Lake Nipigon, Thunder Bay District.
(2) The watershed of Kapuskasing River District of Cochrane.
(3) The watershed of Mattagami River, District of Cochrane.
(4) The watershed of Ground Hog River District of Cochrane.

FOR FULL PARTICULARS, as to Terms and Conditions of Tender, and Sale, apply to undersigned.

JAMES LYONS,
Minister of Lands and Forests,
Toronto, Ont.

N.B.—No unauthorized publication of this Notice will be paid for.

Toronto, June 9th. 1925.

Canadian National Railways Quebec Land Grant Lands

TENDERS will be received by the undersigned up to and including 31st August, 1925, for the acquirement of all or any part of the rights to 100,000 acres of railway land grant lands, and the timber thereon, located in the Province of Quebec, earned by subsidiary companies of the Canadian National Railways under various statutes of the Province.

Bidders will make their own selection of lands, specifying the location generally in their tender, and attaching a plan showing such location.

In awarding tenders, consideration will be given to the rail haul revenue to the Canadian National Railways derivable from the forest products on the lands selected.

Terms—ten per cent. (10%) cash or accepted cheque with tender, balance within sixty (60) days on execution of documents transferring the railway rights to the purchaser.

The purchaser will be required to observe all the applicable conditions of the statutes relating to the land grants and conditions contained in the patents from the Crown.

Highest or any tender not necessarily accepted.

Further particulars may be obtained upon application to

W. D. ROBB, Vice-President,
Canadian National Railways,
94 McGill St., Montreal, Que.

Montreal, P.Q., Aug. 1st, 1925.

MEXICO TRAMWAYS COMPANY

General Consolidated First Mortgage 50-Year 5% Gold Bonds

NOTICE IS HEREBY GIVEN that on and after 1st September, 1925, Coupon No. 25, dated 1st March, 1919, detached from the above Bonds, will be paid at the Bank of Montreal, Toronto, Montreal or London, England, or at the agency of the Bank of Montreal, New York, N.Y., at the holder's option.

Dated at Toronto this 15th day of August, 1925.

MEXICO TRAMWAYS COMPANY,
R. H. MERRY,
Secretary.

THE Wabasso Cotton Company Limited

Annual Report 1925

Directors

W. G. E. Aird, Three Rivers, P.Q. — Wm. Harty, Jr., Kingston, Ont.
R. N. Ball, Woodstock, Ontario. — Hugh Mackay, K.C., Montreal, P.Q.
Wm. I. Gear, Montreal, P.Q. — Jas. W. Pyke, Montreal, P.Q.
C. R. Whitehead, Three Rivers, P.Q.

Officers

C. R. Whitehead, President and General Manager
Jas. W. Pyke, Vice-President
Jas. R. Ritchie, Secretary-Treasurer

Manager

W. G. E. Aird, Three Rivers, P.Q.

Directors' Report to the Shareholders

Gentlemen:—

Your Directors have pleasure in submitting herewith Balance Sheet as at 30th June, 1925, together with Profit and Loss Account, for the year ending that date.

The result of the year's operation is fully set forth in the appended Profit and Loss Account, from which it will be observed that, after making provision for all charges, including Bond Interest, and Sinking Fund, and setting aside $100,000.00 for depreciation of Property and Plant, the net profit amounted to $158,734.96. From this there have been paid during the year, dividends at the rate of Four Dollars ($4.00) per share, amounting to $140,000.00 and the balance has been added to the Surplus Account.

In submitting the Balance Sheet, your Directors feel that the results they are able to present should be very satisfactory to the Shareholders.

Respectfully submitted on behalf of the Directors.

(Sgd.) C. R. WHITEHEAD,
President.

Three Rivers, P.Q., July 16th, 1925.

Balance Sheet

As at 30th June, 1925

ASSETS

Current Assets:—				
Cash on hand and in Bank		$ 52,140.83		
Victory Bonds, Call Loans, etc.		344,654.00		
Accounts Receivable and Bills Receivable, less Reserve for Bad and Doubtful Debts		456,021.48		
Inventories of Raw Cotton, Partly Manufactured, and Manufactured Stock, Supplies, Chemicals, etc.		567,298.47		
				$1,420,114.78
Cash in Hands of Trustee for Sinking Fund				325.28
Property:—				
Real Estate, Buildings, Plant, Machinery, etc.				3,018,579.39
Investments:—				
Bonds of St. Maurice Valley Cotton Mills, Limited, at Cost	$ 1,638.00			
Bonds of Wabasso Cotton Company, Limited, at Cost	9,886.12			
Bonds of Shawinigan Cotton Company, Limited, at Cost	82,780.00			
Stock of Shawinigan Cotton Company, Limited, at Cost	95,910.00			
Sundry Investments at Cost	55,220.00			
		$ 245,434.12		
Pledged as Collateral Security for $750,000, 20 year, 7% Sinking Fund Mortgage and Collateral Trust Gold Bonds				
Bonds of St. Maurice Valley Cotton Mills, Limited, at Cost	722,619.00			
12,500 Shares of $100 each of St. Maurice Valley Cotton Mills, Limited, Common Stock, being the whole issue	1,250,000.00			
		1,972,619.00		
				2,218,053.12
Deferred Charges:—				
Bond Discount and Unexpired Insurance				55,401.41
				$6,712,473.98

LIABILITIES

Current Liabilities:—			
Accounts Payable		$ 276,227.20	
Bank Loans, secured by Cotton and Victory Bonds		275,000.00	
Operating Expenses, Accrued Wages, etc., and Reserve for Government Taxes		240,697.82	
Bond Interest Accrued		12,327.50	
Unclaimed Wages		2,500.00	
Dividend payable 2nd July, 1925		35,000.00	
			$ 841,752.52
St. Maurice Valley Cotton Mills, Limited:—			
Loan			486,646.24
First Mortgage 6% Bonds, Due 1st June, 1947:—			
Authorised and Issued		1,000,000.00	
Less Redeemed for Sinking Fund	$150,000.00		
Held in Treasury	19,000.00		
		169,000.00	
			831,000.00
Mortgage and Collateral Trust Sinking Fund 7% Bonds, Due 1st May, 1942:—			
Authorised and Issued		750,000.00	
Less Redeemed for Sinking Fund		49,500.00	
			700,500.00
Reserve for Mortgage and Collateral Trust Bond Sinking Fund			49,825.28
Reserve for Depreciation			917,751.95
Liabilities to Shareholders:—			
Capital Stock:—			
Authorised and Issued, 35,000 Shares of No Par Value		1,750,000.00	
Surplus:—			
General Reserve	$500,000.00		
Profit and Loss Account:—			
Balance as per Statement attached	634,997.99		
		1,134,997.99	
			2,884,997.99
			$6,712,473.98
Contingent Liabilities	$ 298,675.67		

Montreal, 15th July, 1925.

To the Shareholders of The Wabasso Cotton Company, Limited, Three Rivers, Que.:—

We have examined and audited the Books and Accounts of The Wabasso Cotton Company, Limited, for the year ended 30th June, 1925, and beg to state that we have obtained all the information and explanations required by us and, in our opinion, the accompanying Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of the information and explanations given to us, and as shown by the Books of the Company.

The various investments held by the Company have been verified by us by personal inspection or by certificates from the depositaries.

The Inventories of Stock on hand have been certified by responsible Officials of the Company, and have been valued on a conservative basis.

JAS. W. PYKE, HUGH MACKAY, } Directors.

RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.

The Wabasso Cotton Company, Limited
Profit and Loss Account

For the Year Ended 30th June, 1925

Profit for the year ended 30th June, 1925, after deducting all Manufacturing and other Charges and Expenses, also provision for Income War Tax, but before providing for Depreciation, Bond Interest and Sinking Fund		$285,749.37
Interest on Investments		90,318.09
		$376,067.46
Depreciation on Property and Plant	$100,000.00	
Bond Interest	100,092.50	
Sinking Fund	17,240.00	
		217,332.50
Net Profit		158,734.96
Add Balance at Credit 30th June, 1924		616,263.03
		$774,997.99
Deduct Dividends for the year at the rate of $4.00 per Share		140,000.00
Balance at Credit carried to Balance Sheet		$634,997.99